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REFERENCED CONTRACT PROVISIONS

Term: July 1, 2019 through June 30, 2024

Period One means the period from July 1, 2019 through June 30, 2020

Period Two means the period from July 1, 2020 through June 30, 2021

Period Three means the period from July 1, 2021 through June 30, 2022

Period Four means the period from July 1, 2022 through June 30, 2023

Period Five means the period from July 1, 2023 through June 30, 2024

Aggregate Amount Not To Exceed:

Period One Aggregate Amount Not To Exceed:	\$	6,493,650
Period Two Aggregate Amount Not To Exceed:		7,143,015
Period Three Aggregate Amount Not To Exceed:		7,792,380
Period Four Aggregate Amount Not To Exceed:		8,500,000
Period Five Aggregate Amount Not To Exceed:		11,400,000
TOTAL AGGREGATE AMOUNT NOT TO EXCEED:	\$	41,329,045

Basis for Reimbursement: Negotiated Rate and Actual Cost

Payment Method: Monthly in Arrears

CONTRACTOR DUNS Number: 098717494

CONTRACTOR TAX ID Number: 32-0102250

Notices to COUNTY and CONTRACTOR:

COUNTY: County of Orange
Health Care Agency
Contract Services
405 West 5th Street, Suite 600
Santa Ana, CA 92701-4637

CONTRACTOR: Sober Solutions
William O’Connell
7372 Prince Dr., Suite 106
Huntington Beach, CA 92647
coletteschildren@aol.com

	CFDA#	FAIN#	Program/ Service Title	Federal Funding Agency	Federal Award Date	Amount	R&D Award (Y/N)
1							
2							
3							
4	93.959	T110062-20	SABG	Substance Abuse and Mental Health Services Administration (SAMHSA)	7/1/2021 TO 6/30/2024	\$19,276,499 annually	N
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I. ACRONYMS

The following standard definitions are for reference purposes only and may or may not apply in their entirety throughout this Agreement:

1		
2		
3		
4	A. AES	Advanced Encryption Standard
5	B. AOD	Alcohol and Other Drug
6	C. ARRA	American Recovery and Reinvestment Act
7	D. ASAM	American Society of Addiction Medicine
8	E. ASRS	Alcohol and Drug Programs Reporting System
9	F. BCP	Business Continuity Plan
10	G. CalOMS	California Outcomes Measurement System
11	H. CAP	Corrective Action Plan
12	I. CCC	California Civil Code
13	J. CCR	California Code of Regulations
14	K. CD/DVD	Compact Disc/Digital Video or Versatile Disc
15	L. CEO	County Executive Office
16	M. CESI	Client Evaluation of Self at Intake
17	N. CEST	Client Evaluation of Self and Treatment
18	O. CHHS	California Health and Human Services Agency
19	P. CFR	Code of Federal Regulations
20	Q. CHPP	COUNTY HIPAA Policies and Procedures
21	R. CHS	Correctional Health Services
22	S. CIPA	California Information Practices Act
23	T. CMPPA	Computer Matching and Privacy Protection Act
24	U. COI	Certificate of Insurance
25	V. CSU	Crisis Stabilization Unit
26	W. DATAR	Drug Abuse Treatment Access Report
27	X. DHCS	Department of Health Care Services
28	Y. D/MC	Drug/Medi-Cal
29	Z. DMC ODS	Drug Medi-Cal Organized Delivery System
30	AA. DoD	US Department of Defense
31	AB. DPFS	Drug Program Fiscal Systems
32	AC. DRP	Disaster Recovery Plan
33	AD. DRS	Designated Record Set
34	AE. DSM-5	Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition
35	AF. DSS	Department of Social Services
36	AG. EBPs	Evidenced Based Treatment Practices
37	AH. EHR	Electronic Health Records

1	AI. ePHI	Electronic Protected Health Information
2	AJ. EPSDT	Early Periodic Screening, Diagnostic and Treatment
3	AK. FIPS	Federal Information Processing Standards
4	AL. FTE	Full Time Equivalent
5	AM. GAAP	Generally Accepted Accounting Principles
6	AN. HCA	Health Care Agency
7	AO. HHS	Health and Human Services
8	AP. HIPAA	Health Insurance Portability and Accountability Act of 1996, Public
9		Law 104–191
10	AQ. HITECH Act	The Health Information Technology for Economic and Clinical Health
11		Act, Public Law 111–005
12	AR. HSC	California Health and Safety Code
13	AS. ID	Identification
14	AT. IEA	Information Exchange Agreement
15	AU. IRIS	Integrated Records and Information System
16	AV. ISO	Insurance Services Office
17	AW. LPHA	Licensed Practitioner of the Healing Arts
18	AX. MAT	Medication Assisted Treatment
19	AY. NIST	National Institute of Standards and Technology
20	AZ. NPI	National Provider Identifier
21	BA. NPPES	National Plan and Provider Enumeration System
22	BB. OCPD	Orange County Probation Department
23	BC. OCR	Office for Civil Rights
24	BD. OIG	Office of Inspector General
25	BE. OMB	Office of Management and Budget
26	BF. OPM	Federal Office of Personnel Management
27	BG. P&P	Policy and Procedure
28	BH. PA DSS	Payment Application Data Security Standard
29	BI. PC	State of California Penal Code
30	BJ. PCI DSS	Payment Card Industry Data Security Standard
31	BK. PHI	Protected Health Information
32	BL. PII	Personally Identifiable Information
33	BM. PI	Personal Information
34	BN. RPC	Residential Placement Coordinator
35	BO. RTS	Residential Treatment Services
36	BP. SIR	Self-Insured Retention
37	BQ. SMA	Statewide Maximum Allowance

1	BR. STC	Special Terms and Conditions
2	BS. SUD	Substance Use Disorder
3	BT. TB	Tuberculosis
4	BU. UMDAP	Uniform method of Determining Ability to Pay
5	BV. USC	United States Code

6

7 **II. ALTERATION OF TERMS**

8 A. This Agreement, together with Exhibits A, B, C, and D attached hereto and incorporated herein,
9 fully expresses the complete understanding of COUNTY and CONTRACTOR with respect to the
10 subject matter of this Agreement.

11 B. Unless otherwise expressly stated in this Agreement, no addition to, or alteration of the terms of
12 this Agreement or any Exhibits, whether written or verbal, made by the parties, their officers, employees
13 or agents shall be valid unless made in the form of a written amendment to this Agreement, which has
14 been formally approved and executed by both parties.

15

16 **III. ASSIGNMENT OF DEBTS**

17 Unless this Agreement is followed without interruption by another Agreement between the Parties
18 hereto for the same services and substantially the same scope, at the termination of this Agreement,
19 CONTRACTOR shall assign to COUNTY any debts owing to CONTRACTOR by or on behalf of
20 persons receiving services pursuant to this Agreement. CONTRACTOR shall immediately notify by
21 mail each of the respective Parties, specifying the date of assignment, the County of Orange as assignee,
22 and the address to which payments are to be sent. Payments received by CONTRACTOR from or on
23 behalf of said persons, shall be immediately given to COUNTY.

24

25 **IV. COMPLIANCE**

26 A. COMPLIANCE PROGRAM - ADMINISTRATOR has established a Compliance Program for
27 the purpose of ensuring adherence to all rules and regulations related to federal and state health care
28 programs.

29 1. ADMINISTRATOR shall provide CONTRACTOR with a copy of the policies and
30 procedures relating to ADMINISTRATOR's Compliance Program, Code of Conduct and access to
31 General Compliance and Annual Provider Trainings.

32 2. CONTRACTOR has the option to provide ADMINISTRATOR with proof of its own
33 compliance program, code of conduct and any compliance related policies and procedures.
34 CONTRACTOR's compliance program, code of conduct and any related policies and procedures shall
35 be verified by ADMINISTRATOR's Compliance Department to ensure they include all required
36 elements by ADMINISTRATOR's Compliance Officer as described in this Compliance Paragraph to
37 this Agreement. These elements include:

- 1 a. Designation of a Compliance Officer and/or compliance staff.
- 2 b. Written standards, policies and/or procedures.
- 3 c. Compliance related training and/or education program and proof of completion.
- 4 d. Communication methods for reporting concerns to the Compliance Officer.
- 5 e. Methodology for conducting internal monitoring and auditing.
- 6 f. Methodology for detecting and correcting offenses.
- 7 g. Methodology/Procedure for enforcing disciplinary standards.

8 3. If CONTRACTOR does not provide proof of its own compliance program to
9 ADMINISTRATOR, CONTRACTOR shall internally comply with ADMINISTRATOR's Compliance
10 Program and Code of Conduct, the CONTRACTOR shall submit to the ADMINISTRATOR within
11 thirty (30) calendar days of execution of this Agreement a signed acknowledgement that
12 CONTRACTOR will internally comply with ADMINISTRATOR's Compliance Program and Code of
13 Conduct. CONTRACTOR shall have as many Covered Individuals it determines necessary complete
14 ADMINISTRATOR's annual compliance training to ensure proper compliance.

15 4. If CONTRACTOR elects to have its own compliance program, code of conduct and any
16 Compliance related policies and procedures reviewed by ADMINISTRATOR, then CONTRACTOR
17 shall submit a copy of its compliance program, code of conduct and all relevant policies and procedures
18 to ADMINISTRATOR within thirty (30) calendar days of execution of this Agreement.
19 ADMINISTRATOR's Compliance Officer, or designee, shall review said documents within a
20 reasonable time, which shall not exceed forty-five (45) calendar days, and determine if contractor's
21 proposed compliance program and code of conduct contain all required elements to the
22 ADMINISTRATOR's satisfaction as consistent with the HCA's Compliance Program and Code of
23 Conduct. ADMINISTRATOR shall inform CONTRACTOR of any missing required elements and
24 CONTRACTOR shall revise its compliance program and code of conduct to meet
25 ADMINISTRATOR's required elements within thirty (30) calendar days after ADMINISTRATOR's
26 Compliance Officer's determination and resubmit the same for review by the ADMINISTRATOR.

27 5. Upon written confirmation from ADMINISTRATOR's compliance officer that the
28 CONTRACTOR's compliance program, code of conduct and any compliance related policies and
29 procedures contain all required elements, CONTRACTOR shall ensure that all Covered Individuals
30 relative to this Agreement are made aware of CONTRACTOR's compliance program, code of conduct,
31 related policies and procedures and contact information for the ADMINISTRATOR's Compliance Program.

32 B. SANCTION SCREENING – CONTRACTOR must screen all Covered Individuals employed or
33 retained to provide services related to this Agreement to ensure that they are not designated as Ineligible
34 Persons, as pursuant to this Agreement. Screening must be conducted against the Social Security
35 Administration's Death Master File at the date of employment. Screening must be conducted monthly
36 against the General Services Administration's Excluded Parties List System or System for Award
37 Management, the Health and Human Services/Office of Inspector General List of Excluded

1 Individuals/Entities, and the California Medi-Cal Suspended and Ineligible Provider List, and/or any
2 other list or system as identified by ADMINISTRATOR.

3 1. For purposes of this Compliance Paragraph, Covered Individuals includes all employees,
4 interns, volunteers, contractors, subcontractors, agents, and other persons who provide health care items
5 or services or who perform billing or coding functions on behalf of ADMINISTRATOR.
6 CONTRACTOR shall ensure that all Covered Individuals relative to this Agreement are made aware of
7 ADMINISTRATOR's Compliance Program, Code of Conduct and related policies and procedures (or
8 CONTRACTOR's own compliance program, code of conduct and related policies and procedures if
9 CONTRACTOR has elected to use its own).

10 2. An Ineligible Person shall be any individual or entity who:

11 a. is currently excluded, suspended, debarred or otherwise ineligible to participate in
12 federal and state health care programs; or

13 b. has been convicted of a criminal offense related to the provision of health care items or
14 services and has not been reinstated in the federal and state health care programs after a period of
15 exclusion, suspension, debarment, or ineligibility.

16 3. CONTRACTOR shall screen prospective Covered Individuals prior to hire or engagement.
17 CONTRACTOR shall not hire or engage any Ineligible Person to provide services relative to this
18 Agreement.

19 4. CONTRACTOR shall screen all current Covered Individuals and subcontractors monthly to
20 ensure that they have not become Ineligible Persons. CONTRACTOR shall also request that its
21 subcontractors use their best efforts to verify that they are eligible to participate in all federal and State
22 of California health programs and have not been excluded or debarred from participation in any federal
23 or state health care programs, and to further represent to CONTRACTOR that they do not have any
24 Ineligible Person in their employ or under contract.

25 5. Covered Individuals shall be required to disclose to CONTRACTOR immediately any
26 debarment, exclusion or other event that makes the Covered Individual an Ineligible Person.
27 CONTRACTOR shall notify ADMINISTRATOR immediately if a Covered Individual providing
28 services directly relative to this Agreement becomes debarred, excluded or otherwise becomes an
29 Ineligible Person.

30 6. CONTRACTOR acknowledges that Ineligible Persons are precluded from providing
31 federal and state funded health care services by contract with COUNTY in the event that they are
32 currently sanctioned or excluded by a federal or state law enforcement regulatory or licensing agency.
33 If CONTRACTOR becomes aware that a Covered Individual has become an Ineligible Person,
34 CONTRACTOR shall remove such individual from responsibility for, or involvement with, COUNTY
35 business operations related to this Agreement.

36 7. CONTRACTOR shall notify ADMINISTRATOR immediately if a Covered Individual or
37 entity is currently excluded, suspended or debarred, or is identified as such after being sanction

1 screened. Such individual or entity shall be immediately removed from participating in any activity
2 associated with this Agreement. ADMINISTRATOR will determine appropriate repayment from, or
3 sanction(s) to CONTRACTOR for services provided by ineligible person or individual.
4 CONTRACTOR shall promptly return any overpayments within forty-five (45) business days after the
5 overpayment is verified by ADMINISTRATOR.

6 C. GENERAL COMPLIANCE TRAINING - ADMINISTRATOR shall make General
7 Compliance Training available to Covered Individuals.

8 1. CONTRACTORS that have acknowledged to comply with ADMINISTRATOR's
9 Compliance Program shall use its best efforts to encourage completion by all Covered Individuals;
10 provided, however, that at a minimum CONTRACTOR shall assign at least one (1) designated
11 representative to complete the General Compliance Training when offered.

12 2. Such training will be made available to Covered Individuals within thirty (30) calendar
13 days of employment or engagement.

14 3. Such training will be made available to each Covered Individual annually.

15 4. ADMINISTRATOR will track training completion while CONTRACTOR shall provide
16 copies of training certification upon request.

17 5. Each Covered Individual attending a group training shall certify, in writing, attendance at
18 compliance training. ADMINISTRATOR shall provide instruction on group training completion while
19 CONTRACTOR shall retain the training certifications. Upon written request by ADMINISTRATOR,
20 CONTRACTOR shall provide copies of the certifications.

21 D. SPECIALIZED PROVIDER TRAINING – ADMINISTRATOR shall make Specialized
22 Provider Training, where appropriate, available to Covered Individuals.

23 1. CONTRACTOR shall ensure completion of Specialized Provider Training by all Covered
24 Individuals relative to this Agreement. This includes compliance with federal and state healthcare
25 program regulations and procedures or instructions otherwise communicated by regulatory agencies;
26 including the Centers for Medicare and Medicaid Services or their agents.

27 2. Such training will be made available to Covered Individuals within thirty (30) calendar
28 days of employment or engagement.

29 3. Such training will be made available to each Covered Individual annually.

30 4. ADMINISTRATOR will track online completion of training while CONTRACTOR shall
31 provide copies of the certifications upon request.

32 5. Each Covered Individual attending a group training shall certify, in writing, attendance at
33 compliance training. ADMINISTRATOR shall provide instructions on completing the training in a
34 group setting while CONTRACTOR shall retain the certifications. Upon written request by
35 ADMINISTRATOR, CONTRACTOR shall provide copies of the certifications.

36 E. MEDI-CAL BILLING, CODING, AND DOCUMENTATION COMPLIANCE STANDARDS

37 1. CONTRACTOR shall take reasonable precaution to ensure that the coding of health care

1 claims, billings and/or invoices for same are prepared and submitted in an accurate and timely manner
2 and are consistent with federal, state and county laws and regulations. This includes compliance with
3 federal and state health care program regulations and procedures or instructions otherwise
4 communicated by regulatory agencies including the Centers for Medicare and Medicaid Services or
5 their agents.

6 2. CONTRACTOR shall not submit any false, fraudulent, inaccurate and/or fictitious claims
7 for payment or reimbursement of any kind.

8 3. CONTRACTOR shall bill only for those eligible services actually rendered which are also
9 fully documented. When such services are coded, CONTRACTOR shall use proper billing codes which
10 accurately describes the services provided and must ensure compliance with all billing and
11 documentation requirements.

12 4. CONTRACTOR shall act promptly to investigate and correct any problems or errors in
13 coding of claims and billing, if and when, any such problems or errors are identified.

14 5. CONTRACTOR shall promptly return any overpayments within forty-five (45) business
15 days after the overpayment is verified by the ADMINISTRATOR.

16 6. CONTRACTOR shall meet the HCA Quality Assessment and Performance Improvement
17 Standards established by Authority and Quality Improvement Services (AQIS) and participate in the
18 quality improvement activities developed in the implementation of the DMC-ODS Quality Management
19 Program. CONTRACTOR shall establish an internal Quality Management program and appoint
20 designated Quality Improvement (QI) staff consisting of at least one dedicated QI
21 coordinator/professional to participate in QI activities with ADMINISTRATOR and to ensure service
22 delivery and support program staff implement QI initiatives and requirements appropriately at the
23 program site.

24 7. CONTRACTOR shall comply with the provisions of the ADMINISTRATOR's Cultural
25 Competency Plan submitted and approved by the state. ADMINISTRATOR shall update the Cultural
26 Competency Plan and submit the updates to the State for review and approval annually. (CCR, Title 9,
27 §1810.410.subds.(c)-(d).

28 F. Failure to comply with the obligations stated in this Compliance Paragraph shall constitute a
29 breach of the Agreement on the part of CONTRACTOR and grounds for COUNTY to terminate the
30 Agreement. Unless the circumstances require a sooner period of cure, CONTRACTOR shall have thirty
31 (30) calendar days from the date of the written notice of default to cure any defaults grounded on this
32 Compliance Paragraph prior to ADMINISTRATOR's right to terminate this Agreement on the basis of
33 such default.

34 35 **V. CONFIDENTIALITY**

36 A. CONTRACTOR shall maintain the confidentiality of all records, including billings and any
37 audio and/or video recordings, in accordance with all applicable federal, state and county codes and

1 regulations, including 42 USC §290dd-2 (Confidentiality of Records), as they now exist or may
2 hereafter be amended or changed.

3 B. Prior to providing any services pursuant to this Agreement, all members of the Board of
4 Directors or its designee or authorized agent, employees, consultants, subcontractors, volunteers and
5 interns of the CONTRACTOR shall agree, in writing, with CONTRACTOR to maintain the
6 confidentiality of any and all information and records which may be obtained in the course of providing
7 such services. This Agreement shall specify that it is effective irrespective of all subsequent
8 resignations or terminations of CONTRACTOR members of the Board of Directors or its designee or
9 authorized agent, employees, consultants, subcontractors, volunteers and interns.

10 C. CONTRACTOR shall have in effect a system to protect patient records from inappropriate
11 disclosure in connection with activity funded under this Agreement. This system shall include
12 provisions for employee education on the confidentiality requirements, and the fact that disciplinary
13 action may occur upon inappropriate disclosure. CONTRACTOR agrees to implement administrative,
14 physical, and technical safeguards that reasonably and appropriately protect the confidentiality,
15 integrity, and availability of all confidential information that it creates, receives, maintains or transmits.
16 CONTRACTOR shall provide ADMINISTRATOR with information concerning such safeguards.

17 D. CONTRACTOR agrees to mitigate, to the extent practicable, any harmful effect that is known
18 to CONTRACTOR, or its subcontractors or agents in violation of the applicable state and federal
19 regulations regarding confidentiality.

20 E. CONTRACTOR shall monitor compliance with the above provisions on confidentiality and
21 security, and shall include them in all subcontracts.

22 F. CONTRACTOR shall notify ADMINISTRATOR within twenty-four (24) hours during a work
23 week, of any suspected or actual breach of its computer system.

24 25 **VI. CONFLICT OF INTEREST**

26 CONTRACTOR shall exercise reasonable care and diligence to prevent any actions or conditions
27 that could result in a conflict with COUNTY interests. In addition to CONTRACTOR, this obligation
28 shall apply to CONTRACTOR's employees, agents, and subcontractors associated with the provision of
29 goods and services provided under this Agreement. CONTRACTOR's efforts shall include, but not be
30 limited to establishing rules and procedures preventing its employees, agents, and subcontractors from
31 providing or offering gifts, entertainment, payments, loans or other considerations which could be
32 deemed to influence or appear to influence COUNTY staff or elected officers in the performance of
33 their duties.

34 35 **VII. COST REPORT**

36 A. CONTRACTOR shall submit an individual and/or consolidated Cost Report for each Period, or
37 for a portion thereof to COUNTY no later than forty-five (45) calendar days following the period for

1 | which they are prepared or termination of this Agreement. CONTRACTOR shall prepare the individual
2 | and/or consolidated Cost Report in accordance with all applicable federal, state and COUNTY
3 | requirements, GAAP and the Special Provisions Paragraph of this Agreement. CONTRACTOR shall
4 | allocate direct and indirect costs to and between programs, cost centers, services, and funding sources in
5 | accordance with such requirements and consistent with prudent business practice, which costs and
6 | allocations shall be supported by source documentation maintained by CONTRACTOR, and available at
7 | any time to ADMINISTRATOR upon reasonable notice. In the event CONTRACTOR has multiple
8 | Agreements for mental health services that are administered by HCA, consolidation of the individual
9 | Cost Reports into a single consolidated Cost Report may be required, as stipulated by
10 | ADMINISTRATOR. CONTRACTOR shall submit the consolidated Cost Report to COUNTY no later
11 | than five (5) business days following approval by ADMINSTRATOR of all individual Cost Reports to
12 | be incorporated into a consolidated Cost Report.

13 | 1. If CONTRACTOR fails to submit an accurate and complete Cost Report within the time
14 | period specified above, ADMINISTRATOR shall have sole discretion to impose one or both of the
15 | following:

16 | a. CONTRACTOR may be assessed a late penalty of five hundred dollars (\$500) for each
17 | business day after the above specified due date that the accurate and complete Cost Report is not
18 | submitted. Imposition of the late penalty shall be at the sole discretion of the ADMINISTRATOR. The
19 | late penalty shall be assessed separately on each outstanding Cost Report due COUNTY by
20 | CONTRACTOR.

21 | b. ADMINISTRATOR may withhold or delay any or all payments due CONTRACTOR
22 | pursuant to any or all agreements between COUNTY and CONTRACTOR until such time that the
23 | accurate and complete Cost Report is delivered to ADMINISTRATOR.

24 | 2. CONTRACTOR may request, in advance and in writing, an extension of the due date of the
25 | Cost Report setting forth good cause for justification of the request. Approval of such requests shall be
26 | at the sole discretion of ADMINISTRATOR and shall not be unreasonably denied. In no case shall
27 | extensions be granted for more than seven (7) calendar days.

28 | 3. In the event that CONTRACTOR does not submit an accurate and complete Cost Report
29 | within one hundred and eighty (180) calendar days following the termination of this Agreement, and
30 | CONTRACTOR has not entered into a subsequent or new agreement for any other services with
31 | COUNTY, then all amounts paid to CONTRACTOR by COUNTY during the term of the Agreement
32 | shall be immediately reimbursed to COUNTY.

33 | B. The individual and/or consolidated Cost Report prepared for each period shall be the final
34 | financial and statistical report submitted by CONTRACTOR to COUNTY, and shall serve as the basis
35 | for final settlement to CONTRACTOR for that period. CONTRACTOR shall document that costs are
36 | reasonable and allowable and directly or indirectly related to the services to be provided hereunder. The
37 | Cost Report shall be the final financial record for subsequent audits, if any.

1 C. Final settlement shall be based upon the actual and reimbursable costs for services hereunder,
 2 less applicable revenues and any late penalty, not to exceed the negotiated rate as specified in the
 3 Agreement. CONTRACTOR shall not claim expenditures to COUNTY which are not reimbursable
 4 pursuant to applicable federal, state and COUNTY laws, regulations and requirements. Any payment
 5 made by COUNTY to CONTRACTOR, which is subsequently determined to have been for an
 6 unreimbursable expenditure or service, shall be repaid by CONTRACTOR to COUNTY in cash, or
 7 other authorized form of payment, within thirty (30) calendar days of submission of the Cost Report or
 8 COUNTY may elect to reduce any amount owed CONTRACTOR by an amount not to exceed the
 9 reimbursement due COUNTY.

10 D. Costs of Medi-Cal services shall not exceed the negotiated rate as specified in this Agreement.

11 E. If the Cost Report indicates the actual and reimbursable costs of services provided pursuant to
 12 this Agreement, less applicable revenues and any late penalty, are higher than the aggregate of interim
 13 monthly payments to CONTRACTOR, then COUNTY shall pay CONTRACTOR the difference,
 14 provided such payment does not exceed the COUNTY's Total Aggregate Amount Not To Exceed and
 15 separate non-Medi-Cal Aggregate Amount Not To Exceed and Aggregate Medi-Cal Amount Not To
 16 Exceed.

17 F. All Cost Reports shall contain the following attestation, which may be typed directly on or
 18 attached to the Cost Report:

19
 20 "I HEREBY CERTIFY that I have executed the accompanying Cost Report and
 21 supporting documentation prepared by _____ for the cost report period
 22 beginning _____ and ending _____ and that, to the best of my
 23 knowledge and belief, costs reimbursed through this Agreement are reasonable and
 24 allowable and directly or indirectly related to the services provided and that this Cost
 25 Report is a true, correct, and complete statement from the books and records of
 26 (provider name) in accordance with applicable instructions, except as noted. I also
 27 hereby certify that I have the authority to execute the accompanying Cost Report.

28
 29 Signed _____
 30 Name _____
 31 Title _____
 32 Date _____"

33
 34 **VIII. DEBARMENT AND SUSPENSION CERTIFICATION**

35 A. CONTRACTOR certifies that it and its principals:

36 1. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or
 37 voluntarily excluded by any federal department or agency.

1 2. Have not within a three-year period preceding this Agreement been convicted of or had a
 2 civil judgment rendered against them for commission of fraud or a criminal offense in connection with
 3 obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract
 4 under a public transaction; violation of federal or state antitrust statutes or commission of
 5 embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or
 6 receiving stolen property.

7 3. Are not presently indicted for or otherwise criminally or civilly charged by a federal, state,
 8 or local governmental entity with commission of any of the offenses enumerated in Subparagraph A.2.
 9 above.

10 4. Have not within a three-year period preceding this Agreement had one or more public
 11 transactions (federal, state, or local) terminated for cause or default.

12 5. Shall not knowingly enter into any lower tier covered transaction with a person who is
 13 proposed for debarment under federal regulations (i.e., 48 CFR Part 9, Subpart 9.4), debarred,
 14 suspended, declared ineligible, or voluntarily excluded from participation in such transaction unless
 15 authorized by the State of California.

16 6. Shall include without modification, the clause titled "Certification Regarding Debarment,
 17 Suspension, Ineligibility, and Voluntary Exclusion Lower Tier Covered Transaction," (i.e., transactions
 18 with sub-grantees and/or contractors) and in all solicitations for lower tier covered transactions in
 19 accordance with 2 CFR Part 376.

20 B. The terms and definitions of this paragraph have the meanings set out in the Definitions and
 21 Coverage sections of the rules implementing 51 F.R. 6370.

22
 23 **IX. DELEGATION, ASSIGNMENT, AND SUBCONTRACTS**

24 A. CONTRACTOR may not delegate the obligations hereunder, either in whole or in part, without
 25 prior written consent of COUNTY. CONTRACTOR shall provide written notification of
 26 CONTRACTOR's intent to delegate the obligations hereunder, either in whole or part, to
 27 ADMINISTRATOR not less than sixty (60) calendar days prior to the effective date of the delegation.
 28 Any attempted assignment or delegation in derogation of this paragraph shall be void.

29 B. CONTRACTOR agrees that if there is a change or transfer in ownership of CONTRACTOR's
 30 business prior to completion of this Agreement, and COUNTY agrees to an assignment of the
 31 Agreement, the new owners shall be required under the terms of sale or other instruments of transfer to
 32 assume CONTRACTOR's duties and obligations contained in this Agreement and complete them to the
 33 satisfaction of COUNTY. CONTRACTOR may not assign the rights hereunder, either in whole or in
 34 part, without the prior written consent of COUNTY.

35 1. If CONTRACTOR is a nonprofit organization, any change from a nonprofit corporation to
 36 any other corporate structure of CONTRACTOR, including a change in more than fifty percent (50%)
 37 of the composition of the Board of Directors within a two (2) month period of time, shall be deemed an

1 assignment for purposes of this paragraph, unless CONTRACTOR is transitioning from a community
2 clinic/health center to a Federally Qualified Health Center and has been so designated by the Federal
3 Government. Any attempted assignment or delegation in derogation of this subparagraph shall be void.

4 2. If CONTRACTOR is a for-profit organization, any change in the business structure,
5 including but not limited to, the sale or transfer of more than ten percent (10%) of the assets or stocks of
6 CONTRACTOR, change to another corporate structure, including a change to a sole proprietorship, or a
7 change in fifty percent (50%) or more of Board of Directors or any governing body of CONTRACTOR
8 at one time shall be deemed an assignment pursuant to this paragraph. Any attempted assignment or
9 delegation in derogation of this subparagraph shall be void.

10 3. If CONTRACTOR is a governmental organization, any change to another structure,
11 including a change in more than fifty percent (50%) of the composition of its governing body (i.e. Board
12 of Supervisors, City Council, School Board) within a two (2) month period of time, shall be deemed an
13 assignment for purposes of this paragraph. Any attempted assignment or delegation in derogation of
14 this subparagraph shall be void.

15 4. Whether CONTRACTOR is a nonprofit, for-profit, or a governmental organization,
16 CONTRACTOR shall provide written notification of CONTRACTOR's intent to assign the obligations
17 hereunder, either in whole or part, to ADMINISTRATOR not less than sixty (60) calendar days prior to
18 the effective date of the assignment.

19 5. Whether CONTRACTOR is a nonprofit, for-profit, or a governmental organization,
20 CONTRACTOR shall provide written notification within thirty (30) calendar days to
21 ADMINISTRATOR when there is change of less than fifty percent (50%) of Board of Directors or any
22 governing body of CONTRACTOR at one time.

23 6. COUNTY reserves the right to immediately terminate the Agreement in the event
24 COUNTY determines, in its sole discretion, that the assignee is not qualified or is otherwise
25 unacceptable to COUNTY for the provision of services under the Agreement.

26 C. CONTRACTOR's obligations undertaken pursuant to this Agreement may be carried out by
27 means of subcontracts, provided such subcontractors are approved in advance by ADMINISTRATOR,
28 meet the requirements of this Agreement as they relate to the service or activity under subcontract,
29 include any provisions that ADMINISTRATOR may require, and are authorized in writing by
30 ADMINISTRATOR prior to the beginning of service delivery.

31 1. After approval of the subcontractor, ADMINISTRATOR may revoke the approval of the
32 subcontractor upon five (5) calendar days' written notice to CONTRACTOR if the subcontractor
33 subsequently fails to meet the requirements of this Agreement or any provisions that
34 ADMINISTRATOR has required. ADMINISTRATOR may disallow subcontractor expenses reported
35 by CONTRACTOR.

36 2. No subcontract shall terminate or alter the responsibilities of CONTRACTOR to COUNTY
37 pursuant to this Agreement.

1 3. ADMINISTRATOR may disallow, from payments otherwise due CONTRACTOR,
2 amounts claimed for subcontracts not approved in accordance with this paragraph.

3 4. This provision shall not be applicable to service agreements usually and customarily
4 entered into by CONTRACTOR to obtain or arrange for supplies, technical support, and professional
5 services provided by consultants.

6 D. CONTRACTOR shall notify COUNTY in writing of any change in the CONTRACTOR's
7 status with respect to name changes that do not require an assignment of the Agreement.
8 CONTRACTOR is also obligated to notify COUNTY in writing if the CONTRACTOR becomes a party
9 to any litigation against COUNTY, or a party to litigation that may reasonably affect the
10 CONTRACTOR's performance under the Contract, as well as any potential conflicts of interest between
11 CONTRACTOR and County that may arise prior to or during the period of Agreement performance.
12 While CONTRACTOR will be required to provide this information without prompting from COUNTY
13 any time there is a change in CONTRACTOR's name, conflict of interest or litigation status,
14 CONTRACTOR must also provide an update to COUNTY of its status in these areas whenever
15 requested by COUNTY.

16 17 **X. DISPUTE RESOLUTION**

18 A. The Parties shall deal in good faith and attempt to resolve potential disputes informally. If the
19 dispute concerning a question of fact arising under the terms of this Agreement is not disposed of in a
20 reasonable period of time by the CONTRACTOR and the ADMINISTRATOR, such matter shall be
21 brought to the attention of the COUNTY Purchasing Agency by way of the following process:

22 1. CONTRACTOR shall submit to the COUNTY Purchasing Agency a written demand for a
23 final decision regarding the disposition of any dispute between the Parties arising under, related to, or
24 involving this Agreement, unless COUNTY, on its own initiative, has already rendered such a final
25 decision.

26 2. CONTRACTOR's written demand shall be fully supported by factual information, and, if
27 such demand involves a cost adjustment to the Agreement, CONTRACTOR shall include with the
28 demand a written statement signed by an authorized representative indicating that the demand is made in
29 good faith, that the supporting data are accurate and complete, and that the amount requested accurately
30 reflects the Agreement adjustment for which CONTRACTOR believes COUNTY is liable.

31 B. Pending the final resolution of any dispute arising under, related to, or involving this
32 Agreement, CONTRACTOR agrees to proceed diligently with the performance of services secured via
33 this Agreement, including the delivery of goods and/or provision of services. CONTRACTOR's failure
34 to proceed diligently shall be considered a material breach of this Agreement.

35 C. Any final decision of COUNTY shall be expressly identified as such, shall be in writing, and
36 shall be signed by a COUNTY Deputy Purchasing Agent or designee. If COUNTY fails to render a
37 decision within ninety (90) calendar days after receipt of CONTRACTOR's demand, it shall be deemed

1 a final decision adverse to CONTRACTOR's contentions.

2 D. This Agreement has been negotiated and executed in the State of California and shall be
3 governed by and construed under the laws of the State of California. In the event of any legal action to
4 enforce or interpret this Agreement, the sole and exclusive venue shall be a court of competent
5 jurisdiction located in Orange County, California, and the Parties hereto agree to and do hereby submit
6 to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the
7 Parties specifically agree to waive any and all rights to request that an action be transferred for
8 adjudication to another county.

9 10 **XI. EMPLOYEE ELIGIBILITY VERIFICATION**

11 CONTRACTOR attests that it shall fully comply with all federal and state statutes and regulations
12 regarding the employment of aliens and others and to ensure that employees, subcontractors, and
13 consultants performing work under this Agreement meet the citizenship or alien status requirements set
14 forth in federal statutes and regulations. CONTRACTOR shall obtain, from all employees,
15 subcontractors, and consultants performing work hereunder, all verification and other documentation of
16 employment eligibility status required by federal or state statutes and regulations including, but not
17 limited to, the Immigration Reform and Control Act of 1986, 8 USC §1324 et seq., as they currently
18 exist and as they may be hereafter amended. CONTRACTOR shall retain all such documentation for all
19 covered employees, subcontractors, and consultants for the period prescribed by the law.

20 21 **XII. EQUIPMENT**

22 A. Unless otherwise specified in writing by ADMINISTRATOR, Equipment is defined as all
23 property of a Relatively Permanent nature with significant value, purchased in whole or in part by
24 ADMINISTRATOR to assist in performing the services described in this Agreement. "Relatively
25 Permanent" is defined as having a useful life of one (1) year or longer. Equipment which costs \$5,000
26 or over, including freight charges, sales taxes, and other taxes, and installation costs are defined as
27 Capital Assets. Equipment which costs between \$600 and \$5,000, including freight charges, sales taxes
28 and other taxes, and installation costs, or electronic equipment that costs less than \$600 but may
29 contained PHI or PII, are defined as Controlled Equipment. Controlled Equipment includes, but is not
30 limited to phones, tablets, audio/visual equipment, computer equipment, and lab equipment. The cost of
31 Equipment purchased, in whole or in part, with funds paid pursuant to this Agreement shall be
32 depreciated according to GAAP.

33 B. CONTRACTOR shall obtain ADMINISTRATOR's written approval prior to purchase of any
34 Equipment with funds paid pursuant to this Agreement. Upon delivery of Equipment, CONTRACTOR
35 shall forward to ADMINISTRATOR, copies of the purchase order, receipt, and other supporting
36 documentation, which includes delivery date, unit price, tax, shipping and serial numbers.
37 CONTRACTOR shall request an applicable asset tag for said Equipment and shall include each

1 purchased asset in an Equipment inventory.

2 C. Upon ADMINISTRATOR's prior written approval, CONTRACTOR may expense to
3 COUNTY the cost of the approved Equipment purchased by CONTRACTOR. To "expense," in
4 relation to Equipment, means to charge the proportionate cost of Equipment in the fiscal year in which it
5 is purchased. Title of expensed Equipment shall be vested with COUNTY.

6 D. CONTRACTOR shall maintain an inventory of all Equipment purchased in whole or in part
7 with funds paid through this Agreement, including date of purchase, purchase price, serial number,
8 model and type of Equipment. Such inventory shall be available for review by ADMINISTRATOR,
9 and shall include the original purchase date and price, useful life, and balance of depreciated Equipment
10 cost, if any.

11 E. CONTRACTOR shall cooperate with ADMINISTRATOR in conducting periodic physical
12 inventories of all Equipment. Upon demand by ADMINISTRATOR, CONTRACTOR shall return any
13 or all Equipment to COUNTY.

14 F. CONTRACTOR must report any loss or theft of Equipment in accordance with the procedure
15 approved by ADMINISTRATOR and the Notices Paragraph of this Agreement. In addition,
16 CONTRACTOR must complete and submit to ADMINISTRATOR a notification form when items of
17 Equipment are moved from one location to another or returned to COUNTY as surplus.

18 G. Unless this Agreement is followed without interruption by another agreement between the
19 Parties for substantially the same type and scope of services, at the termination of this Agreement for
20 any cause, CONTRACTOR shall return to COUNTY all Equipment purchased with funds paid through
21 this Agreement.

22 H. CONTRACTOR shall maintain and administer a sound business program for ensuring the
23 proper use, maintenance, repair, protection, insurance, and preservation of COUNTY Equipment.

24 25 **XIII. FACILITIES, PAYMENTS AND SERVICES**

26 CONTRACTOR agrees to provide the services, staffing, facilities, and supplies in accordance with
27 this Agreement. COUNTY shall compensate, and authorize, when applicable, said services.
28 CONTRACTOR shall operate continuously throughout the term of this Agreement with at least the
29 minimum number and type of staff which meet applicable federal and state requirements, and which are
30 necessary for the provision of the services hereunder.

31 32 **XIV. INDEMNIFICATION AND INSURANCE**

33 A. CONTRACTOR agrees to indemnify, defend with counsel approved in writing by COUNTY,
34 and hold COUNTY, its elected and appointed officials, officers, employees, agents and those special
35 districts and agencies for which COUNTY's Board of Supervisors acts as the governing Board
36 ("COUNTY INDEMNITEES") harmless from any claims, demands or liability of any kind or nature,
37 including but not limited to personal injury or property damage, arising from or related to the services,

1 products or other performance provided by CONTRACTOR pursuant to this Agreement. If judgment is
2 entered against CONTRACTOR and COUNTY by a court of competent jurisdiction because of the
3 concurrent active negligence of COUNTY or COUNTY INDEMNITEES, CONTRACTOR and
4 COUNTY agree that liability will be apportioned as determined by the court. Neither Party shall
5 request a jury apportionment.

6 B. Prior to the provision of services under this Agreement, CONTRACTOR agrees to purchase all
7 required insurance at CONTRACTOR's expense, including all endorsements required herein, necessary
8 to satisfy COUNTY that the insurance provisions of this Agreement have been complied with.
9 CONTRACTOR agrees to keep such insurance coverage, Certificates of Insurance (COI), and
10 endorsements on deposit with COUNTY during the entire term of this Agreement. In addition, all
11 subcontractors performing work on behalf of CONTRACTOR pursuant to this Agreement shall obtain
12 insurance subject to the same terms and conditions as set forth herein for CONTRACTOR.

13 C. CONTRACTOR shall ensure that all subcontractors performing work on behalf of
14 CONTRACTOR pursuant to this Agreement shall be covered under CONTRACTOR's insurance as an
15 Additional Insured or maintain insurance subject to the same terms and conditions as set forth herein for
16 CONTRACTOR. CONTRACTOR shall not allow subcontractors to work if subcontractors have less
17 than the level of coverage required by COUNTY from CONTRACTOR under this Agreement. It is the
18 obligation of CONTRACTOR to provide notice of the insurance requirements to every subcontractor
19 and to receive proof of insurance prior to allowing any subcontractor to begin work. Such proof of
20 insurance must be maintained by CONTRACTOR through the entirety of this Agreement for inspection
21 by COUNTY representative(s) at any reasonable time.

22 D. All SIRs shall be clearly stated on the COI. Any SIR in an amount in excess of fifty thousand
23 dollars (\$50,000) shall specifically be approved by the CEO/Office of Risk Management upon review of
24 CONTRACTOR's current audited financial report. If CONTRACTOR's SIR is approved,
25 CONTRACTOR, in addition to, and without limitation of, any other indemnity provision(s) in this
26 Agreement, agrees to all of the following:

27 1. In addition to the duty to indemnify and hold the COUNTY harmless against any and all
28 liability, claim, demand or suit resulting from CONTRACTOR's, its agents, employee's or
29 subcontractor's performance of this Agreement, CONTRACTOR shall defend the COUNTY at its sole
30 cost and expense with counsel approved by Board of Supervisors against same; and

31 2. CONTRACTOR's duty to defend, as stated above, shall be absolute and irrespective of any
32 duty to indemnify or hold harmless; and

33 3. The provisions of California Civil Code Section 2860 shall apply to any and all actions to
34 which the duty to defend stated above applies, and the CONTRACTOR's SIR provision shall be
35 interpreted as though the CONTRACTOR was an insurer and the COUNTY was the insured.

36 E. If CONTRACTOR fails to maintain insurance acceptable to the COUNTY for the full term of
37 this Agreement, the COUNTY may terminate this Agreement.

1 F. QUALIFIED INSURER

2 1. The policy or policies of insurance must be issued by an insurer with a minimum rating of
3 A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current
4 edition of the Best's Key Rating Guide/Property-Casualty/United States or ambest.com). It is preferred,
5 but not mandatory, that the insurer be licensed to do business in the state of California (California
6 Admitted Carrier).

7 2. If the insurance carrier does not have an A.M. Best Rating of A-/VIII, the CEO/Office of
8 Risk Management retains the right to approve or reject a carrier after a review of the company's
9 performance and financial ratings.

10 G. The policy or policies of insurance maintained by CONTRACTOR shall provide the minimum
11 limits and coverage as set forth below:

<u>Coverage</u>	<u>Minimum Limits</u>
Commercial General Liability	\$1,000,000 per occurrence \$2,000,000 aggregate
Automobile Liability including coverage for owned, non-owned, and hired vehicles (4 passengers or less)	\$1,000,000 per occurrence
Passenger vehicles (7 passengers or less)	\$2,000,000 per occurrence
Passenger vehicles (8 passengers or more)	\$5,000,000 per occurrence
Workers' Compensation	Statutory
Employers' Liability Insurance	\$1,000,000 per occurrence
Network Security & Privacy Liability	\$1,000,000 per claims -made
Professional Liability Insurance	\$1,000,000 per claims -made \$1,000,000 aggregate
Sexual Misconduct Liability	\$1,000,000 per occurrence

37 H. REQUIRED COVERAGE FORMS

1 1. The Commercial General Liability coverage shall be written on ISO form CG 00 01, or a
2 substitute form providing liability coverage at least as broad.

3 2. The Business Automobile Liability coverage shall be written on ISO form CA 00 01, CA
4 00 05, CA 00 12, CA 00 20, or a substitute form providing coverage at least as broad.

5 I. REQUIRED ENDORSEMENTS

6 1. The Commercial General Liability policy shall contain the following endorsements, which
7 shall accompany the COI:

8 a. An Additional Insured endorsement using ISO form CG 20 26 04 13 or a form at least
9 as broad naming the County of Orange, its elected and appointed officials, officers, agents and
10 employees as Additional Insureds, or provide blanket coverage, which will state AS REQUIRED BY
11 WRITTEN AGREEMENT.

12 b. A primary non-contributing endorsement using ISO form CG 20 01 04 13, or a form at
13 least as broad evidencing that the CONTRACTOR's insurance is primary and any insurance or self-
14 insurance maintained by the County of Orange shall be excess and non-contributing.

15 2. The Network Security and Privacy Liability policy shall contain the following
16 endorsements, which shall accompany the COI:

17 a. An Additional Insured endorsement naming the County of Orange, its elected and
18 appointed officials, officers, agents and employees as Additional Insureds for its vicarious liability.

19 b. A primary and non-contributing endorsement evidencing that the Contractor's
20 insurance is primary and any insurance or self-insurance maintained by the County of Orange shall be
21 excess and non-contributing.

22 J. The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving
23 all rights of subrogation against the County of Orange, its elected and appointed officials, officers,
24 agents and employees, or provide blanket coverage, which will state AS REQUIRED BY WRITTEN
25 AGREEMENT.

26 K. All insurance policies required by this Agreement shall waive all rights of subrogation against
27 the County of Orange, its elected and appointed officials, officers, agents and employees when acting
28 within the scope of their appointment or employment.

29 L. CONTRACTOR shall notify COUNTY in writing within thirty (30) days of any policy
30 cancellation and within ten (10) days for non-payment of premium and provide a copy of the
31 cancellation notice to COUNTY. Failure to provide written notice of cancellation shall constitute a
32 breach of CONTRACTOR's obligation hereunder and ground for COUNTY to suspend or terminate
33 this Agreement.

34 M. If CONTRACTOR's Professional Liability, Technology Errors & Omissions and/or Network
35 Security & Privacy Liability are "Claims -Made" policies, CONTRACTOR shall agree to maintain
36 coverage for two (2) years following the completion of the Agreement.

37 N. The Commercial General Liability policy shall contain a "severability of interests" clause also

1 known as a "separation of insureds" clause (standard in the ISO CG 0001 policy).

2 O. COUNTY expressly retains the right to require CONTRACTOR to increase or decrease
3 insurance of any of the above insurance types throughout the term of this Agreement. Any increase or
4 decrease in insurance will be as deemed by County of Orange Risk Manager as appropriate to
5 adequately protect COUNTY.

6 P. COUNTY shall notify CONTRACTOR in writing of changes in the insurance requirements. If
7 CONTRACTOR does not deposit copies of acceptable COI and endorsements with COUNTY
8 incorporating such changes within thirty (30) calendar days of receipt of such notice, this Agreement
9 may be in breach without further notice to CONTRACTOR, and COUNTY shall be entitled to all legal
10 remedies.

11 Q. The procuring of such required policy or policies of insurance shall not be construed to limit
12 CONTRACTOR's liability hereunder nor to fulfill the indemnification provisions and requirements of
13 this Agreement, nor act in any way to reduce the policy coverage and limits available from the insurer.

14 R. SUBMISSION OF INSURANCE DOCUMENTS

15 1. The COI and endorsements shall be provided to COUNTY as follows:

- 16 a. Prior to the start date of this Agreement.
17 b. No later than the expiration date for each policy.
18 c. Within thirty (30) calendar days upon receipt of written notice by COUNTY regarding
19 changes to any of the insurance requirements as set forth in the Coverage Subparagraph above.

20 2. The COI and endorsements shall be provided to the COUNTY at the address as specified in
21 the Referenced Contract Provisions of this Agreement.

22 3. If CONTRACTOR fails to submit the COI and endorsements that meet the insurance
23 provisions stipulated in this Agreement by the above specified due dates, ADMINISTRATOR shall
24 have sole discretion to impose one or both of the following:

25 a. ADMINISTRATOR may withhold or delay any or all payments due CONTRACTOR
26 pursuant to any and all Agreements between COUNTY and CONTRACTOR until such time that the
27 required COI and endorsements that meet the insurance provisions stipulated in this Agreement are
28 submitted to ADMINISTRATOR.

29 b. CONTRACTOR may be assessed a penalty of one hundred dollars (\$100) for each late
30 COI or endorsement for each business day, pursuant to any and all Agreements between COUNTY and
31 CONTRACTOR, until such time that the required COI and endorsements that meet the insurance
32 provisions stipulated in this Agreement are submitted to ADMINISTRATOR.

33 c. If CONTRACTOR is assessed a late penalty, the amount shall be deducted from
34 CONTRACTOR's monthly invoice.

35 4. In no cases shall assurances by CONTRACTOR, its employees, agents, including any
36 insurance agent, be construed as adequate evidence of insurance. COUNTY will only accept valid COIs
37 and endorsements, or in the interim, an insurance binder as adequate evidence of insurance coverage.

XV. INSPECTIONS AND AUDITS

1
2 A. ADMINISTRATOR, any authorized representative of COUNTY, any authorized representative
3 of the State of California, the Secretary of the United States Department of Health and Human Services,
4 the Comptroller General of the United States, or any other of their authorized representatives, shall to
5 the extent permissible under applicable law have access to any books, documents, and records, including
6 but not limited to, financial statements, general ledgers, relevant accounting systems, medical and Client
7 records, of CONTRACTOR that are directly pertinent to this Agreement, for the purpose of responding
8 to a beneficiary complaint or conducting an audit, review, evaluation, or examination, or making
9 transcripts during the periods of retention set forth in the Records Management and Maintenance
10 Paragraph of this Agreement. Such persons may at all reasonable times inspect or otherwise evaluate
11 the services provided pursuant to this Agreement, and the premises in which they are provided.

12 B. CONTRACTOR shall actively participate and cooperate with any person specified in
13 Subparagraph A. above in any evaluation or monitoring of the services provided pursuant to this
14 Agreement, and shall provide the above-mentioned persons adequate office space to conduct such
15 evaluation or monitoring.

C. AUDIT RESPONSE

16
17 1. Following an audit report, in the event of non-compliance with applicable laws and
18 regulations governing funds provided through this Agreement, COUNTY may terminate this Agreement
19 as provided for in the Termination Paragraph or direct CONTRACTOR to immediately implement
20 appropriate corrective action. A CAP shall be submitted to ADMINISTRATOR in writing within thirty
21 (30) calendar days after receiving notice from ADMINISTRATOR.

22 2. If the audit reveals that money is payable from one Party to the other, that is,
23 reimbursement by CONTRACTOR to COUNTY, or payment of sums due from COUNTY to
24 CONTRACTOR, said funds shall be due and payable from one Party to the other within sixty (60)
25 calendar days of receipt of the audit results. If reimbursement is due from CONTRACTOR to
26 COUNTY, and such reimbursement is not received within said sixty (60) calendar days, COUNTY may,
27 in addition to any other remedies provided by law, reduce any amount owed CONTRACTOR by an
28 amount not to exceed the reimbursement due COUNTY.

29 D. CONTRACTOR shall retain a licensed certified public accountant, who will prepare an
30 annual Single Audit as required by 31 USC 7501 – 7507, as well as its implementing regulations under
31 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for
32 Federal Awards. CONTRACTOR shall forward the Single Audit to ADMINISTRATOR within
33 fourteen (14) calendar days of receipt.

34 E. ADMINISTRATOR shall inform providers and CONTRACTOR, at the time they enter into a
35 contract, of the following:

36 1. Beneficiary grievance, appeal, and fair hearing procedures and timeframes as specified in
37 42 C.F.R. 438.400 through 42 C.F.R. 438.424.

1 2. The beneficiary's right to file grievances and appeals and the requirements and timeframes
2 for filing.

3 3. The availability of assistance to the beneficiary with filing grievances and appeals.

4 4. The beneficiary's right to request continuation of benefits that the ADMINISTRATOR
5 seeks to reduce or terminate during an appeal or state fair hearing filing, if filed within the allowable
6 timeframes, although the beneficiary may be liable for the cost of any continued benefits while the
7 appeal or state fair hearing is pending if the final decision is adverse to the beneficiary.

8 5. The conduction of random reviews to ensure beneficiaries are being notified in a timely
9 manner.

10 F. CONTRACTOR shall make all of its premises, physical facilities, equipment, books, records,
11 documents, contracts, computers, or other electronic systems pertaining to Medi-Cal/Drug Medi-Cal
12 enrollees, Medi-Cal/Drug Medi-Cal-related activities, services and activities furnished under the terms
13 of the Agreement or determinations of amounts payable available at any time for inspection,
14 examination of copying by the State, CMS, HHS Inspector General, the Unites States Comptroller
15 General, their designees, and other authorized federal and state agencies. (42 CFR §438.3(h)) This audit
16 right will exist for ten (10) years from the final date of the contract period or from the date of
17 completion of any audit, whichever is later. (42 CFR §438.230(c)(3)(iii).) The State, CMS, or the HHS
18 Inspector General may inspect, evaluate, and audit the CONTRACTOR at any time if there is a
19 reasonable possibility of fraud or similar risk, then. (42 CFR §438.230(c)(3)(iv).)

20 21 **XVI. LICENSES AND LAWS**

22 A. CONTRACTOR, its officers, agents, employees, affiliates, and subcontractors shall, throughout
23 the term of this Agreement, maintain all necessary licenses, permits, approvals, certificates,
24 accreditations, waivers, and exemptions necessary for the provision of the services hereunder and
25 required by the laws, regulations and requirements of the United States, the State of California,
26 COUNTY, and all other applicable governmental agencies. CONTRACTOR shall notify
27 ADMINISTRATOR immediately and in writing of its inability to obtain or maintain, irrespective of the
28 pendency of any hearings or appeals, permits, licenses, approvals, certificates, accreditations, waivers
29 and exemptions. Said inability shall be cause for termination of this Agreement. In addition, all
30 treatment providers will be certified by the State Department of Health Care Services as a Drug Medi-
31 Cal provider and must meet any additional requirements established by COUNTY as part of this
32 certification

33 B. CONTRACTOR shall comply with all applicable governmental laws, regulations, and
34 requirements as they exist now or may be hereafter amended or changed. These laws, regulations, and
35 requirements shall include, but not be limited to, the following:

36 1. ARRA of 2009.

37 2. Trafficking Victims Protection Act of 2000.

- 1 3. CCC §§56 through 56.37, Confidentiality of Medical Information.
- 2 4. CCC §§1798.80 through 1798.84, Customer Records.
- 3 5. CCC §1798.85, Confidentiality of Social Security Numbers.
- 4 6. CCR, Title 9, Rehabilitative and Developmental Services, Division 4; and Title 22 Social
- 5 Security.
- 6 7. HSC, Divisions 10.5 Alcohol and Drug Programs and 10.6. Drug and Alcohol Abuse
- 7 Master Plans.
- 8 8. HSC, §§123110 through 123149.5, Patient Access to Health Records.
- 9 9. Code of Federal Regulations, Title 42, Public Health.
- 10 10. 2 CFR 230, Cost Principles for Nonprofit Organizations.
- 11 11. 2 CFR 376, Nonprocurement, Debarment and Suspension.
- 12 12. 41 CFR 50, Public Contracts and Property Management.
- 13 13. 42 CFR Part 2, Confidentiality of Alcohol and Drug Abuse Patient Records.
- 14 14. 42 CFR 54, Charitable choice regulations applicable to states receiving substance abuse
- 15 prevention and treatment block grants and/or projects for assistance in transition from homelessness
- 16 grants.
- 17 15. 45 CFR 93, New Restrictions on Lobbying.
- 18 16. 45 CFR 96.127, Requirements regarding Tuberculosis.
- 19 17. 45 CFR 96.132, Additional Agreements.
- 20 18. 45 CFR 96.135, Restrictions on Expenditure of Grant.
- 21 19. 45 CFR 160, General Administrative Requirements.
- 22 20. 45 CFR 162, Administrative Requirements.
- 23 21. 45 CFR 164, Security and Privacy.
- 24 22. 48 CFR 9.4, Debarment, Suspension, and Ineligibility.
- 25 23. 8 USC §1324 et seq., Immigration Reform and Control Act of 1986.
- 26 24. 31 USC §1352, Limitation on Use of Appropriated Funds to Influence Certain Federal
- 27 Contracting and Financial Transactions.
- 28 25. 42 USC §§285n through 285o, National Institute on Alcohol Abuse and Alcoholism.
- 29 26. 42 USC §§290aa through 290kk-3, Substance Abuse and Mental Health Services
- 30 Administration.
- 31 27. 42 USC §290dd-2, Confidentiality of Records.
- 32 28. 42 USC §1320(a), Uniform reporting systems for health services facilities and
- 33 organizations.
- 34 29. 42 USC §§1320d through 1320d-9, Administrative Simplification.
- 35 30. 42 USC §12101 et seq., The Americans with Disabilities Act of 1990 as amended.
- 36 31. 42 USC §6101 et seq., Age Discrimination Act of 1975.
- 37 32. 42 USC §2000d, Civil Rights Act of 1964.

1 33. 31 USC 7501 – 7507, as well as its implementing regulations under 2 CFR Part 200,
2 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

3 34. U.S. Department of Health and Human Services, National Institutes of Health (NIH),
4 Grants Policy Statement (10/13).

5 35. Fact Sheet Early and Periodic Screening, Diagnosis and Treatment (EPSDT) for Co-
6 Occurring Disorders, Mental Health Services Oversight and Accountability Commission, 1/17/08.

7 36. State of California, Department of Health Care Services (DHCS), Alcohol and/or Other
8 Drug Program Certification Standards, December 2020.

9 37. CCR Title 22, §§70751(c), 71551(c), 73543(a), 74731(d), 75055(a), 75343(a), and
10 77143(a).

11 38. State of California, Department of Health Care Services ASRS Manual.

12 39. State of California, Department of Health Care Services DPFS Manual.

13 40. HSC §123145.

14 41. Title 45 CFR, §164.501; §164.524; §164.526; §164.530(c) and (j).

15 42. 5 USC §7321 – §7326, Political Activities (Hatch Act)

16 43. DMC Certification Title 22, California Code of Regulations (CCR).

17 44. DMC Billing Manual April 2019.

18 45. Federal Medicare Cost reimbursement principles and cost reporting standards.

19 46. Orange County Drug Medi-Cal Organized Delivery System Managed Care Plan

20 47. California Bridge to Health Reform DMC-ODS Waiver, Standard Terms and Conditions,
21 August 2015, and subsequent versions.

22 48. Title 21, CFR Part 1300, et seq., Title 42, CFR, Part 8.

23 49. California Code of Regulations (CCR), Title 22, Section 51341.1; 51490.1; 51516.1 and the
24 Drug Medi-Cal Certification Standards for Substance Abuse Clinics.

25 50. Title 22, CCR, Sections 51341.1, 51490.1, and 51516.1.

26 51. Standards for Drug Treatment Programs (October 21, 1981).

27 52. Title 9, CCR, Division 4, Chapter 5, Subchapter 1, Sections 10000, et seq.

28 53. Title 22, CCR, Division 3, Chapter 3, sections 51000 et. seq.

29 54. Title 9, CCR, Section 1810.435.

30 55. Title 9, CCR, Section 1840.105.

31 56. Title 22, CCR, §51009, Confidentiality of Records.

32 57. California Welfare and Institutions Code, §14100.2, Medicaid Confidentiality.

33 58. 4.3.2: Intergovernmental Agreement Exhibit A, Attachment I, III, DD, 15, i-xiii:

34 • Executive Order 11246 (42 USC 2000(e) et seq. and 41 CFR Part 60) regarding
35 nondiscrimination in employment under federal contracts and construction contracts greater than
36 \$10,000 funded by federal financial assistance.

37 • Executive Order 13166 (67 FR 41455) to improve access to federal services for those

1 with limited English proficiency.

2 • The Drug Abuse Office and Treatment Act of 1972, as amended, relating to
3 nondiscrimination on the basis of drug abuse.

4 • The Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and
5 Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of
6 alcohol abuse or alcoholism.

7 59. 4.3.3: Intergovernmental Agreement Exhibit A, Attachment I, III, DD, 16, i-v:

8 • Fair Employment and Housing Act (Gov. Code Section 12900 et seq.) and the
9 applicable regulations promulgated thereunder (Cal. Code Regs., tit. 2, Div. 4 § 7285.0 et seq.).

10 • Title 2, Division 3, Article 9.5 of the Gov. Code, commencing with Section 11135.

11 • Noncompliance with the requirements of nondiscrimination in services shall constitute
12 grounds for state to withhold payments under this Agreement or terminate all, or any type, of funding
13 provided hereunder.

14 60. 1.5.3: SABG Application, Enclosure 2, II General, 20:

15 • Title VIII of the Civil Rights Act of 1968 (42 USC 3601 et seq.) prohibiting
16 discrimination on the basis of race, color, religion, sex, handicap, familial status or national origin in the
17 sale or rental of housing.

18 • Age Discrimination Act of 1975 (45 CFR Part 90), as amended 42 USC Sections 6101
19 – 6107), which prohibits discrimination on the basis of age.

20 • Age Discrimination in Employment Act (29 CFR Part 1625).

21 • Title I of the Americans with Disabilities Act (29 CFR Part 1630) prohibiting
22 discrimination against the disabled in employment.

23 • Title II of the Americans with Disabilities Act (28 CFR Part 35) prohibiting
24 discrimination against the disabled by public entities.

25 • Title III of the Americans with Disabilities Act (28 CFR Part 36) regarding access.

26 • Section 504 of the Rehabilitation Act of 1973, as amended (29 USC Section 794),
27 prohibiting discrimination on the basis of individuals with disabilities.

28 • Executive Order 11246 (42 USC 2000(e) et seq. and 41 CFR Part 60) regarding
29 nondiscrimination in employment under federal contracts and construction contracts greater than
30 \$10,000 funded by federal financial assistance.

31 • Executive Order 13166 (67 FR 41455) to improve access to federal services for those
32 with limited English proficiency.

33 • The Drug Abuse Office and Treatment Act of 1972, as amended, relating to
34 nondiscrimination on the basis of drug abuse.

35 • Confidentiality of Alcohol and Drug Abuse Patient Records (42 CFR Part 2, Subparts
36 A – E).

37 61. 1.5.4: SABG Application Enclosure 2, II General 21:

- 1 • Fair Employment and Housing Act (Government Code Section 12900 et seq.) and the
2 applicable regulations promulgated thereunder (2 CCR 7285.0 et seq.).
- 3 • Title 2, Division 3, Article 9.5 of the Government Code, commencing with Section
4 11135.
- 5 • Title 9, Division 4, Chapter 8 of the CCR, commencing with Section 13000.
- 6 • No federal funds shall be used by the County or its subcontractors for sectarian
7 worship, instruction, or proselytization. No federal funds shall be used by the County or its
8 subcontractors to provide direct, immediate, or substantial support to any religious activity.

9 10 **XVII. LITERATURE, ADVERTISEMENTS, AND SOCIAL MEDIA**

11 A. Any written information or literature, including educational or promotional materials,
12 distributed by CONTRACTOR to any person or organization for purposes directly or indirectly related
13 to this Agreement must be approved at least thirty (30) days in advance and in writing by
14 ADMINISTRATOR before distribution. For the purposes of this Agreement, distribution of written
15 materials shall include, but not be limited to, pamphlets, brochures, flyers, newspaper or magazine ads,
16 and electronic media such as the Internet.

17 B. Any advertisement through radio, television broadcast, or the Internet, for educational or
18 promotional purposes, made by CONTRACTOR for purposes directly or indirectly related to this
19 Agreement must be approved in advance at least thirty (30) days and in writing by ADMINISTRATOR.

20 C. If CONTRACTOR uses social media (such as Facebook, Twitter, YouTube or other publicly
21 available social media sites) in support of the services described within this Agreement,
22 CONTRACTOR shall develop social media policies and procedures and have them available to
23 ADMINISTRATOR upon reasonable notice. CONTRACTOR shall inform ADMINISTRATOR of all
24 forms of social media used to either directly or indirectly support the services described within this
25 Agreement. CONTRACTOR shall comply with COUNTY Social Media Use Policy and Procedures as
26 they pertain to any social media developed in support of the services described within this Agreement.
27 CONTRACTOR shall also include any required funding statement information on social media when
28 required by ADMINISTRATOR.

29 D. Any information as described in Subparagraphs A. and B. above shall not imply endorsement
30 by COUNTY, unless ADMINISTRATOR consents thereto in writing.

31 E. CONTRACTOR shall also clearly explain through these materials that there shall be no
32 unlawful use of drugs or alcohol associated with the services provided pursuant to this Agreement, as
33 specified in HSC, §11999-11999.3.

34 35 **XVIII. AMOUNT NOT TO EXCEED**

36 A. The Total Aggregate Amount Not To Exceed of COUNTY for services provided in accordance
37 with this Agreement, and the separate Aggregate Amount Not To Exceed for each period under this

1 Agreement, are as specified in the Referenced Contract Provisions of this Agreement, except as allowed
2 for in Subparagraph B. below.

3 B. ADMINISTRATOR may amend the Aggregate Amount Not To Exceed by an amount not to
4 exceed ten percent (10%) of Period One funding for this Agreement.

6 **XIX. MINIMUM WAGE LAWS**

7 A. Pursuant to the United States of America Fair Labor Standards Act of 1938, as amended, and
8 State of California Labor Code, §1178.5, CONTRACTOR shall pay no less than the greater of the
9 federal or California Minimum Wage to all its Covered Individuals (as defined within the “Compliance”
10 paragraph of this Agreement) that directly or indirectly provide services pursuant to this Agreement, in
11 any manner whatsoever. CONTRACTOR shall require and verify that all of its Covered Individuals
12 providing services pursuant to this Agreement be paid no less than the greater of the federal or
13 California Minimum Wage.

14 B. CONTRACTOR shall comply and verify that its Covered Individuals comply with all other
15 federal and State of California laws for minimum wage, overtime pay, record keeping, and child labor
16 standards pursuant to providing services pursuant to this Agreement.

17 C. Notwithstanding the minimum wage requirements provided for in this clause, CONTRACTOR,
18 where applicable, shall comply with the prevailing wage and related requirements, as provided for in
19 accordance with the provisions of Article 2 of Chapter 1, Part 7, Division 2 of the Labor Code of the
20 State of California (§§1770, et seq.), as it now exists or may hereafter be amended.

22 **XX. NONDISCRIMINATION**

23 A. EMPLOYMENT

24 1. During the term of this Agreement, CONTRACTOR and its Covered Individuals (as
25 defined in the “Compliance” paragraph of this Agreement) shall not unlawfully discriminate against any
26 employee or applicant for employment because of his/her race, religious creed, color, national origin,
27 ancestry, physical disability, mental disability, medical condition, genetic information, marital status,
28 sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status.
29 Additionally, during the term of this Agreement, CONTRACTOR and its Covered Individuals shall
30 require in its subcontracts that subcontractors shall not unlawfully discriminate against any employee or
31 applicant for employment because of his/her race, religious creed, color, national origin, ancestry,
32 physical disability, mental disability, medical condition, genetic information, marital status, sex, gender,
33 gender identity, gender expression, age, sexual orientation, or military and veteran status.

34 2. CONTRACTOR and its Covered Individuals shall not discriminate against employees or
35 applicants for employment in the areas of employment, promotion, demotion or transfer; recruitment or
36 recruitment advertising, layoff or termination; rate of pay or other forms of compensation; and selection
37 for training, including apprenticeship.

1 3. CONTRACTOR shall not discriminate between employees with spouses and employees
2 with domestic partners, or discriminate between domestic partners and spouses of those employees, in
3 the provision of benefits.

4 4. CONTRACTOR shall post in conspicuous places, available to employees and applicants for
5 employment, notices from ADMINISTRATOR and/or the United States Equal Employment
6 Opportunity Commission setting forth the provisions of the EOC.

7 5. All solicitations or advertisements for employees placed by or on behalf of
8 CONTRACTOR and/or subcontractor shall state that all qualified applicants will receive consideration
9 for employment without regard to race, religious creed, color, national origin, ancestry, physical
10 disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender
11 identity, gender expression, age, sexual orientation, or military and veteran status. Such requirements
12 shall be deemed fulfilled by use of the term EOE.

13 6. Each labor union or representative of workers with which CONTRACTOR and/or
14 subcontractor has a collective bargaining agreement or other contract or understanding must post a
15 notice advising the labor union or workers' representative of the commitments under this
16 Nondiscrimination Paragraph and shall post copies of the notice in conspicuous places, available to
17 employees and applicants for employment.

18 B. SERVICES, BENEFITS AND FACILITIES – CONTRACTOR and/or subcontractor shall not
19 discriminate in the provision of services, the allocation of benefits, or in the accommodation in facilities
20 on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental
21 disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender
22 expression, age, sexual orientation, or military and veteran status in accordance with Title IX of the
23 Education Amendments of 1972 as they relate to 20 USC §1681 - §1688; Title VI of the Civil Rights
24 Act of 1964 (42 USC §2000d); the Age Discrimination Act of 1975 (42 USC §6101); Title 9, Division
25 4, Chapter 6, Article 1 (§10800, et seq.) of the CCR; and Title II of the Genetic Information
26 Nondiscrimination Act of 2008, 42 USC 2000ff, et seq. as applicable, and all other pertinent rules and
27 regulations promulgated pursuant thereto, and as otherwise provided by state law and regulations, as all
28 may now exist or be hereafter amended or changed. For the purpose of this Nondiscrimination
29 paragraph, discrimination includes, but is not limited to the following based on one or more of the
30 factors identified above:

- 31 1. Denying a Client or potential Client any service, benefit, or accommodation.
- 32 2. Providing any service or benefit to a Client which is different or is provided in a different
33 manner or at a different time from that provided to other Clients.
- 34 3. Restricting a Client in any way in the enjoyment of any advantage or privilege enjoyed by
35 others receiving any service and/or benefit.
- 36 4. Treating a Client differently from others in satisfying any admission requirement or
37 condition, or eligibility requirement or condition, which individuals must meet in order to be provided

1 any service and/or benefit.

2 5. Assignment of times or places for the provision of services.

3 C. COMPLAINT PROCESS – CONTRACTOR shall establish procedures for advising all Clients
4 through a written statement that CONTRACTOR’s and/or subcontractor’s Clients may file all
5 complaints alleging discrimination in the delivery of services with CONTRACTOR, subcontractor, and
6 ADMINISTRATOR or the U.S. Department of Health and Human Services’ OCR.

7 1. Whenever possible, problems shall be resolved at the point of service. CONTRACTOR
8 shall establish an internal problem resolution process for Clients not able to resolve such problems at the
9 point of service. Clients may initiate a grievance or complaint directly with CONTRACTOR either
10 orally or in writing.

11 a. COUNTY shall establish a formal resolution and grievance process in the event
12 grievance is not able to be resolved at point of service.

13 2. Within the time limits procedurally imposed, the complainant shall be notified in writing as
14 to the findings regarding the alleged complaint and, if not satisfied with the decision, has the right to
15 request a State Fair Hearing.

16 D. PERSONS WITH DISABILITIES – CONTRACTOR and/or subcontractor agree to comply
17 with the provisions of §504 of the Rehabilitation Act of 1973, as amended, (29 USC 794 et seq., as
18 implemented in 45 CFR 84.1 et seq.), and the Americans with Disabilities Act of 1990 as amended (42
19 USC 12101 et seq.; as implemented in 29 CFR 1630), as applicable, pertaining to the prohibition of
20 discrimination against qualified persons with disabilities in all programs or activities, and if applicable
21 as implemented in Title 45, CFR, §84.1 et seq., as they exist now or may be hereafter amended together
22 with succeeding legislation.

23 E. RETALIATION – Neither CONTRACTOR nor subcontractor, nor its employees or agents shall
24 intimidate, coerce or take adverse action against any person for the purpose of interfering with rights
25 secured by federal or state laws, or because such person has filed a complaint, certified, assisted or
26 otherwise participated in an investigation, proceeding, hearing or any other activity undertaken to
27 enforce rights secured by federal or state law.

28 F. In the event of non-compliance with this paragraph or as otherwise provided by federal and
29 state law, this Agreement may be canceled, terminated or suspended in whole or in part and
30 CONTRACTOR or subcontractor may be declared ineligible for further contracts involving federal,
31 state or COUNTY funds.

32 G. Nondiscrimination in Employment and Services: County certifies that under the laws of the
33 United States and the State of California, County will not unlawfully discriminate against any person.

34 **XXI. NOTICES**

35
36 A. Unless otherwise specified, all notices, claims, correspondence, reports and/or statements
37 authorized or required by this Agreement shall be effective:

1 1. When written and deposited in the United States mail, first class postage prepaid and
2 addressed as specified in the Referenced Contract Provisions of this Agreement or as otherwise directed
3 by ADMINISTRATOR;

4 2. When faxed, transmission confirmed;

5 3. When sent by Email; or

6 4. When accepted by U.S. Postal Service Express Mail, Federal Express, United Parcel
7 Service, or any other expedited delivery service.

8 B. Termination Notices shall be addressed as specified in the Referenced Contract Provisions of
9 this Agreement or as otherwise directed by ADMINISTRATOR and shall be effective when faxed,
10 transmission confirmed, or when accepted by U.S. Postal Service Express Mail, Federal Express, United
11 Parcel Service, or any other expedited delivery service.

12 C. CONTRACTOR shall notify ADMINISTRATOR, in writing, within twenty-four (24) hours of
13 becoming aware of any occurrence of a serious nature, which may expose COUNTY to liability. Such
14 occurrences shall include, but not be limited to, accidents, injuries, or acts of negligence, or loss or
15 damage to any COUNTY property in possession of CONTRACTOR.

16 D. For purposes of this Agreement, any notice to be provided by COUNTY may be given by
17 ADMINISTRATOR.

18 **XXII. NOTIFICATION OF DEATH**

19 A. Upon becoming aware of the death of any person served pursuant to this Agreement,
20 CONTRACTOR shall immediately notify ADMINISTRATOR.

21 B. All Notifications of Death provided to ADMINISTRATOR by CONTRACTOR shall contain
22 the name of the deceased, the date and time of death, the nature and circumstances of the death, and the
23 name(s) of CONTRACTOR's officers or employees with knowledge of the incident.

24 1. TELEPHONE NOTIFICATION – CONTRACTOR shall notify ADMINISTRATOR by
25 telephone immediately upon becoming aware of the death due to non-terminal illness of any person
26 served pursuant to this Agreement; notice need only be given during normal business hours.

27 2. WRITTEN NOTIFICATION

28 a. NON-TERMINAL ILLNESS – CONTRACTOR shall hand deliver, fax, and/or send
29 via encrypted email to ADMINISTRATOR a written report within sixteen (16) hours after becoming
30 aware of the death due to non-terminal illness of any person served pursuant to this Agreement.

31 b. TERMINAL ILLNESS – CONTRACTOR shall notify ADMINISTRATOR by written
32 report hand delivered, faxed, sent via encrypted email, within forty-eight (48) hours of becoming aware
33 of the death due to terminal illness of any person served pursuant to this Agreement.

34 c. When notification via encrypted email is not possible or practical CONTRACTOR may
35 hand deliver or fax to a known number said notification.

36 C. If there are any questions regarding the cause of death of any person served pursuant to this
37

1 Agreement who was diagnosed with a terminal illness, or if there are any unusual circumstances related
2 to the death, CONTRACTOR shall immediately notify ADMINISTRATOR in accordance with this
3 Notification of Death Paragraph.

4 D. All death reports must be verified by the coroner's office. The information should include date
5 of the death as well as the cause of death.

7 **XXIII. NOTIFICATION OF PUBLIC EVENTS AND MEETINGS**

8 A. CONTRACTOR shall notify ADMINISTRATOR of any public event or meeting funded in
9 whole or in part by the COUNTY, except for those events or meetings that are intended solely to serve
10 Clients or occur in the normal course of business.

11 B. CONTRACTOR shall notify ADMINISTRATOR at least thirty (30) business days in advance
12 of any applicable public event or meeting. The notification must include the date, time, duration,
13 location and purpose of the public event or meeting. Any promotional materials or event related flyers
14 must be approved by ADMINISTRATOR prior to distribution.

16 **XXIV. BENEFICIARIES' RIGHTS**

17 A. CONTRACTOR shall post the current Drug Medi-Cal Organized Delivery System (DMC-
18 ODS) Grievance and Appeals poster in locations readily available to Clients and staff and have
19 Grievance and Appeal forms in the threshold languages and envelopes readily accessible to Clients to
20 take without having to request it on the unit.

21 B. In addition to those processes provided by ADMINISTRATOR, CONTRACTOR shall have an
22 internal grievance processes approved by ADMINISTRATOR, to which the beneficiary shall have
23 access.

24 1. CONTRACTOR's grievance processes shall incorporate COUNTY's grievance and/or
25 utilization management guidelines and procedures. The beneficiary has the right to utilize either or both
26 grievance process simultaneously in order to resolve their dissatisfaction.

27 C. The parties agree that Clients have recourse to initiate an expression of dissatisfaction to
28 CONTRACTOR and file a grievance or complaint.

30 **XXV. RECORDS MANAGEMENT AND MAINTENANCE**

31 A. CONTRACTOR, its officers, agents, employees and subcontractors shall, throughout the term
32 of this Agreement, prepare, maintain and manage records appropriate to the services provided and in
33 accordance with this Agreement and all applicable requirements.

34 1. CONTRACTOR shall maintain records that are adequate to substantiate the services for
35 which claims are submitted for reimbursement under this Agreement and the charges thereto. Such
36 records shall include, but not be limited to, individual patient charts and utilization review records.

37 2. CONTRACTOR shall keep and maintain records of each service rendered to each MSN

1 Patient, the identity of the MSN Patient to whom the service was rendered, the date the service was
2 rendered, and such additional information as ADMINISTRATOR or DHCS may require.

3 3. CONTRACTOR shall maintain books, records, documents, accounting procedures and
4 practices, and other evidence sufficient to reflect properly all direct and indirect cost of whatever nature
5 claimed to have been incurred in the performance of this Agreement and in accordance with Medicare
6 principles of reimbursement and GAAP.

7 4. CONTRACTOR shall ensure the maintenance of medical records required by §70747
8 through and including §70751 of the CCR, as they exist now or may hereafter be amended, the medical
9 necessity of the service, and the quality of care provided. Records shall be maintained in accordance
10 with §51476 of Title 22 of the CCR, as it exists now or may hereafter be amended.

11 B. CONTRACTOR shall implement and maintain administrative, technical and physical
12 safeguards to ensure the privacy of PHI and prevent the intentional or unintentional use or disclosure of
13 PHI in violation of the HIPAA, federal and state regulations. CONTRACTOR shall mitigate to the
14 extent practicable, the known harmful effect of any use or disclosure of PHI made in violation of federal
15 or state regulations and/or COUNTY policies.

16 C. CONTRACTOR's participant, client, and/or patient records shall be maintained in a secure
17 manner. CONTRACTOR shall maintain participant, client, and/or patient records and must establish
18 and implement written record management procedures.

19 D. CONTRACTOR shall retain all financial records for a minimum of ten (10) years from the
20 termination of the contract, unless a longer period is required due to legal proceedings such as litigations
21 and/or settlement of claims.

22 E. CONTRACTOR shall retain all client and/or patient medical records for ten (10) years
23 following discharge of the participant, client and/or patient.

24 F. CONTRACTOR shall make records pertaining to the costs of services, participant fees, charges,
25 billings, and revenues available at one (1) location within the limits of the County of Orange. If
26 CONTRACTOR is unable to meet the record location criteria above, ADMINISTRATOR may provide
27 written approval to CONTRACTOR to maintain records in a single location, identified by
28 CONTRACTOR.

29 G. CONTRACTOR shall notify ADMINISTRATOR of any PRA requests related to, or arising out
30 of, this Agreement, within forty-eight (48) hours. CONTRACTOR shall provide ADMINISTRATOR
31 all information that is requested by the PRA request.

32 H. CONTRACTOR shall ensure all HIPAA DRS requirements are met. HIPAA requires that
33 clients, participants and/or patients be provided the right to access or receive a copy of their DRS and/or
34 request addendum to their records. Title 45 CFR §164.501, defines DRS as a group of records
35 maintained by or for a covered entity that is:

36 1. The medical records and billing records about individuals maintained by or for a covered
37 health care provider;

1 2. The enrollment, payment, claims adjudication, and case or medical management record
2 systems maintained by or for a health plan; or

3 3. Used, in whole or in part, by or for the covered entity to make decisions about individuals.

4 I. CONTRACTOR may retain client, and/or patient documentation electronically in accordance
5 with the terms of this Agreement and common business practices. If documentation is retained
6 electronically, CONTRACTOR shall, in the event of an audit or site visit:

7 1. Have documents readily available within twenty-four (24) hour notice of a scheduled audit
8 or site visit.

9 2. Provide auditor or other authorized individuals access to documents via a computer
10 terminal.

11 3. Provide auditor or other authorized individuals a hardcopy printout of documents, if
12 requested.

13 J. CONTRACTOR shall ensure compliance with requirements pertaining to the privacy and
14 security of PII and/or PHI. CONTRACTOR shall, upon discovery of a Breach of privacy and/or
15 security of PII and/or PHI by CONTRACTOR, notify federal and/or state authorities as required by law
16 or regulation, and copy ADMINISTRATOR on such notifications.

17 K. CONTRACTOR may be required to pay any costs associated with a Breach of privacy and/or
18 security of PII and/or PHI, including but not limited to the costs of notification. CONTRACTOR shall
19 pay any and all such costs arising out of a Breach of privacy and/or security of PII and/or PHI.

20 L. CONTRACTOR shall obtain an NPI for each site identified as a location for providing
21 contractual services. Provider’s site NPIs must be submitted to the ADMINISTRATOR prior to
22 rendering services to Clients. Contractors providing direct or indirect services for State reporting must
23 also submit rendering (individual) provider NPIs to ADMINISTRATOR for each staff member
24 providing Medi-Cal billable services. Contractor reimbursement will not be processed unless NPIs are
25 on file with ADMINISTRATOR in advance of providing services to Clients. It is the responsibility of
26 each contract provider site and individual staff member that bills Medi-Cal to obtain an NPI from the
27 NPPES. Each contract site, as well as every staff member that provides billable services, is responsible
28 for notifying the NPPES within 30 calendar days of any updates to personal information, which may
29 include, but is not limited to, worksite address, name changes, taxonomy code changes, etc.

30
31 **XXVI. RESEARCH AND PUBLICATION**

32 CONTRACTOR shall not utilize information and/or data received from COUNTY, or arising out
33 of, or developed, as a result of this Agreement for the purpose of personal or professional research, or
34 for publication.

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XXVII. REVENUE

1
2 A. CLIENT FEES – CONTRACTOR shall not charge a fee to DMC beneficiaries to whom
3 services are provided pursuant to this Agreement, their estates and/or responsible relatives, unless a
4 Share of Cost is determined per Medi-Cal eligibility.

5 B. THIRD-PARTY REVENUE – CONTRACTOR shall make every reasonable effort to obtain all
6 available third-party reimbursement for which persons served pursuant to this Agreement may be
7 eligible. Charges to insurance carriers shall be on the basis of CONTRACTOR’s usual and customary
8 charges. An Assignment of Benefits must be present in a Participant’s file when applicable.

9 C. PROCEDURES – CONTRACTOR shall maintain internal financial controls which adequately
10 ensure proper billing and collection procedures. CONTRACTOR’s procedures shall specifically
11 provide for the identification of delinquent accounts and methods for pursuing such accounts.
12 CONTRACTOR shall provide ADMINISTRATOR, monthly, a written report specifying the current
13 status of fees which are billed, collected, transferred to a collection agency, or deemed by
14 CONTRACTOR to be uncollectible.

XXVIII. SEVERABILITY

15
16
17 If a court of competent jurisdiction declares any provision of this Agreement or application thereof
18 to any person or circumstances to be invalid or if any provision of this Agreement contravenes any
19 federal, state or county statute, ordinance, or regulation, the remaining provisions of this Agreement or
20 the application thereof shall remain valid, and the remaining provisions of this Agreement shall remain
21 in full force and effect, and to that extent the provisions of this Agreement are severable.

XXIX. SPECIAL PROVISIONS

22
23
24 A. CONTRACTOR shall not use the funds provided by means of this Agreement for the following
25 purposes:

- 26 1. Making cash payments to intended recipients of services through this Agreement.
- 27 2. Lobbying any governmental agency or official. CONTRACTOR shall file all certifications
28 and reports in compliance with this requirement pursuant to Title 31, USC, §1352 (e.g., limitation on
29 use of appropriated funds to influence certain federal contracting and financial transactions).
- 30 3. Fundraising.
- 31 4. Purchase of gifts, meals, entertainment, awards, or other personal expenses for
32 CONTRACTOR’s staff, volunteers, or members of the Board of Directors or governing body.
- 33 5. Reimbursement of CONTRACTOR’s members of the Board of Directors or governing
34 body for expenses or services.
- 35 6. Making personal loans to CONTRACTOR’s staff, volunteers, interns, consultants,
36 subcontractors, and members of the Board of Directors or governing body, or its designee or authorized
37 agent, or making salary advances or giving bonuses to CONTRACTOR’s staff.

1 7. Paying an individual salary or compensation for services at a rate in excess of the current
2 Level I of the Executive Salary Schedule as published by the OPM. The OPM Executive Salary
3 Schedule may be found at www.opm.gov.

4 8. Severance pay for separating employees.

5 9. Paying rent and/or lease costs for a facility prior to the facility meeting all required building
6 codes and obtaining all necessary building permits for any associated construction.

7 10. Purchasing or improving land, including constructing or permanently improving any
8 building or facility, except for tenant improvements.

9 11. Satisfying any expenditure of non-federal funds as a condition for the receipt of federal
10 funds (matching).

11 12. Contracting or subcontracting with any entity other than an individual or nonprofit entity.

12 13. Producing any information that promotes responsible use, if the use is unlawful, of drugs or
13 alcohol.

14 14. Promoting the legalization of any drug or other substance included in Schedule 1 of the
15 Controlled Substance Act (21 USC 812).

16 15. Distributing or aiding in the distribution of sterile needles or syringes for the hypodermic
17 injection of any illegal drug.

18 16. Assisting, promoting, or deterring union organizing.

19 17. Providing inpatient hospital services or purchasing major medical equipment.

20 B. Unless otherwise specified in advance and in writing by ADMINISTRATOR, CONTRACTOR
21 shall not use the funds provided by means of this Agreement for the following purposes:

22 1. Funding travel or training (excluding mileage or parking).

23 2. Making phone calls outside of the local area unless documented to be directly for the
24 purpose of client care.

25 3. Payment for grant writing, consultants, certified public accounting, or legal services.

26 4. Purchase of artwork or other items that are for decorative purposes and do not directly
27 contribute to the quality of services to be provided pursuant to this Agreement.

28 5. Purchase of gifts, meals, entertainment, awards, or other personal expenses for
29 CONTRACTOR's clients.

30 C. Neither Party shall be responsible for delays or failures in performance resulting from acts
31 beyond the control of the affected Party. Such acts shall include, but not be limited to, acts of God, fire,
32 flood, earthquake, other natural disaster, nuclear accident, strike, lockout, riot, freight, embargo, public
33 related utility, or governmental statutes or regulations imposed after the fact.

34 35 **XXX. STATUS OF CONTRACTOR**

36 CONTRACTOR is, and shall at all times be deemed to be, an independent contractor and shall be
37 wholly responsible for the manner in which it performs the services required of it by the terms of this

1 Agreement. CONTRACTOR is entirely responsible for compensating staff, subcontractors, and
2 consultants employed by CONTRACTOR. This Agreement shall not be construed as creating the
3 relationship of employer and employee, or principal and agent, between COUNTY and CONTRACTOR
4 or any of CONTRACTOR's employees, agents, consultants, or subcontractors. CONTRACTOR
5 assumes exclusively the responsibility for the acts of its employees, agents, consultants, or
6 subcontractors as they relate to the services to be provided during the course and scope of their
7 employment. CONTRACTOR, its agents, employees, consultants, or subcontractors, shall not be
8 entitled to any rights or privileges of COUNTY's employees and shall not be considered in any manner
9 to be COUNTY's employees.

10 11 **XXXI. TERM**

12 A. This specific Agreement with CONTRACTOR is only one of several agreements to which the
13 term of this Agreement applies. This specific Agreement shall commence as specified in the Reference
14 Contract Provisions of this Agreement or the execution date, whichever is later. This specific
15 Agreement shall terminate as specified in the Referenced Contract Provisions of this Agreement, unless
16 otherwise sooner terminated as provided in this Agreement; provided, however, CONTRACTOR shall
17 be obligated to perform such duties as would normally extend beyond this term, including but not
18 limited to, obligations with respect to confidentiality, indemnification, audits, reporting and accounting.

19 B. Any administrative duty or obligation to be performed pursuant to this Agreement on a
20 weekend or holiday may be performed on the next regular business day.

21 22 **XXXII. TERMINATION**

23 A. Either Party may terminate this Agreement, without cause, upon ninety (90) calendar days'
24 written notice given the other Party.

25 B. CONTRACTOR shall be responsible for meeting all programmatic and administrative
26 contracted objectives and requirements as indicated in this Agreement. CONTRACTOR shall be
27 subject to the issuance of a CAP for the failure to perform to the level of contracted objectives,
28 continuing to not meet goals and expectations, and/or for non-compliance. If CAPs are not completed
29 within timeframe as determined by ADMINISTRATOR notice, payments may be reduced or withheld
30 until CAP is resolved and/or the Agreement could be terminated.

31 C. Unless otherwise specified in this Agreement, COUNTY may terminate this Agreement upon
32 five (5) calendar days' written notice if CONTRACTOR fails to perform any of the terms of this
33 Agreement. At ADMINISTRATOR's sole discretion, CONTRACTOR may be allowed up to thirty
34 (30) calendar days for corrective action.

35 D. COUNTY may terminate this Agreement immediately, upon written notice, on the occurrence
36 of any of the following events:

- 37 1. The loss by CONTRACTOR of legal capacity.

- 1 2. Cessation of services.
- 2 3. The delegation or assignment of CONTRACTOR's services, operation or administration to
- 3 another entity without the prior written consent of COUNTY.
- 4 4. The neglect by any physician or licensed person employed by CONTRACTOR of any duty
- 5 required pursuant to this Agreement.
- 6 5. The loss of accreditation or any license required by the Licenses and Laws Paragraph of
- 7 this Agreement.
- 8 6. The continued incapacity of any physician or licensed person to perform duties required
- 9 pursuant to this Agreement.
- 10 7. Unethical conduct or malpractice by any physician or licensed person providing services
- 11 pursuant to this Agreement; provided, however, COUNTY may waive this option if CONTRACTOR
- 12 removes such physician or licensed person from serving persons treated or assisted pursuant to this
- 13 Agreement.

14 E. CONTINGENT FUNDING

- 15 1. Any obligation of COUNTY under this Agreement is contingent upon the following:
 - 16 a. The continued availability of federal, state and county funds for reimbursement of
 - 17 COUNTY's expenditures, and
 - 18 b. Inclusion of sufficient funding for the services hereunder in the applicable budget(s)
 - 19 approved by the Board of Supervisors.
- 20 2. In the event such funding is subsequently reduced or terminated, COUNTY may suspend,
- 21 terminate or renegotiate this Agreement upon thirty (30) calendar days' written notice given
- 22 CONTRACTOR. If COUNTY elects to renegotiate this Agreement due to reduced or terminated
- 23 funding, CONTRACTOR shall not be obligated to accept the renegotiated terms.

24 F. In the event this Agreement is suspended or terminated prior to the completion of the term as
25 specified in the Referenced Contract Provisions of this Agreement, ADMINISTRATOR may, at its
26 sole discretion, reduce the Amount Not To Exceed of this Agreement in an amount consistent with the
27 reduced term of the Agreement.

28 G. In the event this Agreement is terminated by either Party pursuant to Subparagraphs B., C., or
29 D. above, CONTRACTOR shall do the following:

- 30 1. Comply with termination instructions provided by ADMINISTRATOR in a manner which
- 31 is consistent with recognized standards of quality care and prudent business practice.
- 32 2. Obtain immediate clarification from ADMINISTRATOR of any unsettled issues of contract
- 33 performance during the remaining contract term.
- 34 3. Until the date of termination, continue to provide the same level of service required by this
- 35 Agreement.
- 36 4. If Clients are to be transferred to another facility for services, furnish ADMINISTRATOR,
- 37 upon request, all Client information and records deemed necessary by ADMINISTRATOR to effect an

1 orderly transfer.

2 5. Assist ADMINISTRATOR in effecting the transfer of Clients in a manner consistent with
3 Client's best interests.

4 6. If records are to be transferred to COUNTY, pack and label such records in accordance
5 with directions provided by ADMINISTRATOR.

6 7. Return to COUNTY, in the manner indicated by ADMINISTRATOR, any equipment and
7 supplies purchased with funds provided by COUNTY.

8 8. To the extent services are terminated, cancel outstanding commitments covering the
9 procurement of materials, supplies, equipment, and miscellaneous items, as well as outstanding
10 commitments which relate to personal services. With respect to these canceled commitments,
11 CONTRACTOR shall submit a written plan for settlement of all outstanding liabilities and all claims
12 arising out of such cancellation of commitment which shall be subject to written approval of
13 ADMINISTRATOR.

14 9. Provide written notice of termination of services to each Client being served under this
15 Agreement, within fifteen (15) calendar days of receipt of termination notice. A copy of the notice of
16 termination of services must also be provided to ADMINISTRATOR within the fifteen (15) calendars
17 day period.

18 H. The rights and remedies of COUNTY provided in this Termination Paragraph shall not be
19 exclusive, and are in addition to any other rights and remedies provided by law or under this Agreement.

20
21 **XXXIII. THIRD-PARTY BENEFICIARY**

22 Neither Party hereto intends that this Agreement shall create rights hereunder in third-parties
23 including, but not limited to, any subcontractors or any clients provided services pursuant to this
24 Agreement.

25
26 **XXXIV. WAIVER OF DEFAULT OR BREACH**

27 Waiver by COUNTY of any default by CONTRACTOR shall not be considered a waiver of any
28 subsequent default. Waiver by COUNTY of any breach by CONTRACTOR of any provision of this
29 Agreement shall not be considered a waiver of any subsequent breach. Waiver by COUNTY of any
30 default or any breach by CONTRACTOR shall not be considered a modification of the terms of this
31 Agreement.

32
33 **XXXV. PARTICIPATION OF COUNTY BEHAVIORAL HEALTH DIRECTOR'S**
34 **ASSOCIATION OF CALIFORNIA**

35 The County AOD Program Administrator shall participate and represent the County in meetings of
36 the County Behavioral Health Director's Association of California for the purposes of representing the
37 counties in their relationship with DHCS with respect to policies, standards, and administration for AOD

1 abuse services. The County AOD Program Administrator shall attend any special meetings call by the
2 Director of DHCS. Participation and representation shall also be provided by the County Behavioral
3 Health Director’s Association of California.

4
5 **XXXVI. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA)**
6 **OF 1996**

7 All work performed under this Contract is subject to HIPAA. County shall perform the work in
8 compliance with all applicable provisions of HIPAA. As identified in Exhibit E of DHCS Agreement
9 #21-10100, DHCS and County shall cooperate to assure mutual agreement as to those transactions
10 between them, to which this provision applies. Refer to Exhibit E of DHCS Agreement #21-10100 for
11 additional information.

12
13 **XXXVII. INTRAVENOUS DRUG USE (IVDU) TREATMENT**

14 County shall ensure that individuals in need of IVDU treatment shall be encouraged to undergo
15 AOD treatment (42 USC 300x-23 (45 CFR 96.126(e)).

16
17 **XXXVIII. YOUTH TREATMENT GUIDELINES**

18 County must comply with DHCS guidelines in developing and implementing youth treatment
19 programs funded under this Enclosure, until new Youth Treatment Guidelines are stablished and
20 adopted.

21 Adolescent Substance Use Disorder Best Practices Guide found here:
22 [https://www.dhcs.ca.gov/Documents/CSD_CMHCS/Adol%20Best%20Practices%20Guide/AdolBestPr](https://www.dhcs.ca.gov/Documents/CSD_CMHCS/Adol%20Best%20Practices%20Guide/AdolBestPracGuideOCTOBER2020.pdf)
23 [acGuideOCTOBER2020.pdf](https://www.dhcs.ca.gov/Documents/CSD_CMHCS/Adol%20Best%20Practices%20Guide/AdolBestPracGuideOCTOBER2020.pdf).

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1 IN WITNESS WHEREOF, the parties have executed this Agreement, in the County of Orange,
2 State of California.

3
4 SOBER SOLUTIONS

5 DocuSigned by:
6 BY: William O'Connell DATED: 1/24/2024
7 43F026BAC866458...

8 TITLE: Executive Director

9
10
11
12 COUNTY OF ORANGE

13
14
15 BY: _____ DATED: _____
16 HEALTH CARE AGENCY

17
18
19 APPROVED AS TO FORM
20 OFFICE OF THE COUNTY COUNSEL
21 ORANGE COUNTY, CALIFORNIA

22
23 DocuSigned by:
24 BY: Brittany McLean DATED: 1/25/2024
25 9713A4061D4343D...
26 DEPUTY

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35 If the contracting Party is a corporation, two (2) signatures are required: one (1) signature by the Chairman of the Board, the President or any Vice President;
36 and one (1) signature by the Secretary, any Assistant Secretary, the Chief Financial Officer or any Assistant Treasurer. If the contract is signed by one (1)
37 authorized individual only, a copy of the corporate resolution or by-laws whereby the Board of Directors has empowered said authorized individual to act
on its behalf by his or her signature alone is required by ADMINISTRATOR.

1 EXHIBIT A
2 TO AGREEMENT FOR PROVISION OF
3 ADULT RESIDENTIAL DRUG MEDI-CAL
4 SUBSTANCE USE DISORDER TREATMENT SERVICES
5 BETWEEN
6 COUNTY OF ORANGE
7 AND
8 SOBER SOLUTIONS
9 JULY 1, 2019 THROUGH JUNE 30, 2024
10

11 **I. COMMON TERMS AND DEFINITIONS**

12 A. The Parties agree to the following terms and definitions, and to those terms and definitions
13 which, for convenience, are set forth elsewhere in this Agreement.

14 1. AB109 means services for those Clients deemed eligible by Assembly Bill 109, Public
15 Safety Realignment, under which the Client's last offense was non-violent, non-sexual, and non-serious.

16 2. AB109 Supervision means an offender released from prison to OCPD or sentenced under
17 AB109 and is doing their incarceration in jail instead of prison.

18 3. ASAM Criteria is a comprehensive set of guidelines for placement, continued stay and
19 transfer/discharge of Clients with addiction and co-occurring conditions.

20 4. ART Team is a Health Care Agency team that assesses for treatment, authorizes services
21 and refers for treatment.

22 5. DHCS (DHCS)-Designated Levels of Care (LOC) means a designation that is issued by
23 DHCS to a residential program based on the services provided at the facility. For the purposes of this
24 Agreement, CONTRACTOR shall provide services in accordance with one of the following DHCS-
25 Designated Levels of Care:

26 a. 3.1 – Clinically Managed Low-Intensity Residential Services means a twenty-four (24)
27 hour structure with available trained personnel; at least five (5) hours of clinical service/week and
28 preparation for outpatient treatment.

29 b. 3.3 – Clinically Managed Population-Specific High-Intensity Residential Services
30 means a twenty-four (24) hour structured living environment in combination with high-intensity clinical
31 services for clients with significant cognitive impairment

32 c. 3.5 – Clinically Managed High-Intensity Residential Services means a twenty-four (24)
33 hour residential care for clients who require a twenty-four (24) hour supportive treatment environment
34 in order to develop sufficient recovery skills to avoid relapse or continued AOD use. It will include at
35 least five (5) hours of clinical service/week.

36 6. Bed Day means one (1) calendar day during which CONTRACTOR provides services as
37 described in this Exhibit A of the Agreement. If admission and discharge occur on the same day, one

1 (1) Bed Day will be charged.

2 7. CalOMS is a statewide Client-based data collection and outcomes measurement system as
3 required by the State to effectively manage and improve the provision of alcohol and drug treatment
4 services at the State, COUNTY, and provider levels.

5 8. Case Management or Care Coordination means services that assist a Client to access
6 needed medical, educational, social, prevocational, vocational, rehabilitative, or other community
7 services.

8 9. Deleted.

9 10. Client means a person who has a substance use disorder, for whom a COUNTY-approved
10 intake and admission for Residential Treatment Services as appropriate have been completed pursuant to
11 this Agreement.

12 11. Clinical Component means services designed to improve a Client's ability to structure and
13 organize tasks of daily living and recovery.

14 12. Completion means the completion of the Residential Treatment Services program whereby
15 the Client has successfully completed goals and objectives documented in the Client's treatment plan
16 and no longer has medical necessity for the Residential Level of Care.

17 13. Co-Occurring is when a person has at least one substance use disorder and one mental
18 health disorder that can be diagnosed independently of each other.

19 14. DATAR is the DHCS system used to collect data on SUD treatment capacity and waiting
20 lists.

21 15. EPSDT means the federally mandated Medicaid benefit that entitles full-scope Medi-Cal-
22 covered beneficiaries less than twenty-one (21) years of age to receive any Medicaid service necessary
23 to correct or help to improve a defect, mental illness, or other condition, such as a substance-related
24 disorder, that is discovered during a health screening.

25 16. Incidental Medical Services means optional services, approved by DHCS to be provided at
26 a licensed adult alcoholism or drug use residential treatment facility by or under the supervision of a
27 LPHA that addresses medical issues associated with either detoxification or substance use.

28 17. Intake means the initial face-to-face meeting between a Client and CONTRACTOR staff in
29 which specific information about the Client is gathered including the ability to pay and standard
30 admission forms pursuant to this Agreement.

31 18. IRIS is a collection of applications and databases that serve the needs of programs within
32 HCA and includes functionality such as registration and scheduling, laboratory information system,
33 invoices and reporting capabilities, compliance with regulatory requirements, electronic medical records
34 and other relevant applications.

35 19. Linkage means connecting a Client to ancillary services such as outpatient and/or
36 residential treatment and supportive services which may include self-help groups, social services,
37 rehabilitation services, vocational services, job training services, or other appropriate services.

1 20. LPHA means any Physician, Nurse Practitioners, Physician Assistants, Registered Nurses,
2 Registered Pharmacists, Licensed Clinical Psychologists, Licensed Clinical Social Worker, Licensed
3 Professional Clinical Counselor, Licensed Marriage and Family Therapists, or Licensed Eligible
4 Practitioners working under the supervision of Licensed Clinicians, working within their scope of
5 practice.

6 21. MAT Services means the use of Federal Drug Administration-approved medications in
7 combination with behavioral therapies to provide a whole Client approach to treating substance use
8 disorders

9 22. Perinatal means the condition of being pregnant or Postpartum. This condition must be
10 documented to apply billing descriptor of perinatal attached to services.

11 23. Perinatal Residential Treatment Services means AOD treatment services that are provided
12 to a woman, eighteen (18) years and older, who is pregnant and/or has custody of dependent children up
13 to twelve (12) years of age, in her care; who has a primary problem of substance use disorder, and who
14 demonstrates a need for perinatal substance use disorder residential treatment services. Services are
15 provided in a twenty-four (24) hour residential program. These services are provided in a non-medical,
16 residential setting that has been licensed and certified by DHCS to provide perinatal services. These
17 treatment services are provided to both perinatal and parenting women in accordance with the Perinatal
18 Network Service Guidelines.

19 24. Postpartum means the 60-day period beginning on the last day of pregnancy, regardless of
20 whether other conditions of eligibility are met. Eligibility shall end on the last day of the calendar month
21 in which the 60th day occurs.

22 25. Recovery Services means billable services available after the client has completed a course
23 of treatment. Recovery services emphasize the client's central role in managing their health, use
24 effective self-management support strategies, and organize internal and community resources to provide
25 ongoing self-management support to patients.

26 26. Residential Treatment Authorization means the approval that is provided by the HCA ART
27 Team for a Client to receive residential services to ensure that the beneficiary meets the requirements for
28 the service. Decisions for service authorization are provided by the ART team for admission with
29 exception determined by the CONTRACTOR.

30 27. RTS means alcohol and other drug treatment services that are provided to Clients at a
31 twenty-four (24) hour residential program. Services are provided in an alcohol and drug free
32 environment and support recovery from alcohol and/or other drug related problems. These services are
33 provided in a non-medical, residential setting that has been licensed and certified by DHCS.

34 28. Self-Help Meetings means a non-professional, peer participatory meeting formed by people
35 with a common problem or situation offering mutual support to each other towards a goal or healing or
36 recovery.

37 29. Structured Therapeutic Activities means organized program activities that are designed to

1 meet treatment goals and objectives for increased social responsibility, self-motivation, and integration
2 into the larger community. Such activities would include participation in the social structure of the
3 residential program. It also includes the Client's progression, with increasing levels of responsibility and
4 independence through job and other assignments culminating in employment seeking and employment-
5 initiation activities in the community.

6 30. SUD means a condition in which the use of one or more substances leads to a clinically
7 significant impairment or distress per the DSM-5.

8 31. Token means the security device which allows an individual user to access IRIS.

9 32. Unfunded means individuals that are eligible for Medi-Cal but their benefits may not be
10 current for Orange County.

11 B. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the
12 Common Terms and Definitions Paragraph of this Exhibit A to the Agreement.

13 **II. GENERAL REQUIREMENTS**

14 A. MEETINGS – CONTRACTOR's Executive Director or designee shall participate, when
15 requested, in meetings facilitated by ADMINISTRATOR related to the provision of services pursuant to
16 this Agreement.
17

18 1. Active participation in regular SUD Quality Improvement (QI) Coordinators' meetings
19 organized by the Authority and Quality Improvement Services (AQIS) Quality Management program is
20 required for at least one dedicated program QI coordinator/professional

21 B. ALCOHOL AND/OR DRUG SCREENING

22 1. CONTRACTOR shall have a written policy and procedure statement regarding drug
23 screening that includes random drug and/or alcohol screen at a minimum of one (1) time per month for
24 the first thirty (30) calendar days and two (2) times per month for the remaining term of the agreement
25 for all Clients. All urine specimen collections shall be observed by same-sex or sex congruent staff.
26 This policy shall be approved by ADMINISTRATOR. A Client shall not be denied admittance to
27 treatment for a positive alcohol and/or drug screen at admission if they meet all other criteria for
28 admission. CONTRACTOR shall:

29 a. Establish procedures that protect against the falsification and/or contamination of any
30 body specimen sample collected for drug screening; and,

31 b. Assure that all urine specimen collections shall be observed by same-sex or sex
32 congruent staff.

33 c. Document results of the drug screening in the Client's record.

34 2. In the event CONTRACTOR wishes to utilize a COUNTY-contracted laboratory for drug
35 screening purposes, CONTRACTOR shall collect and label samples from Clients. Such testing shall be
36 provided at COUNTY's expense. For tests not already covered in the County-contracted laboratory
37 agreement, CONTRACTOR must receive approval from ADMINISTRATOR prior to using COUNTY-

1 | contracted laboratory for drug screenings.

2 | 3. In the event that any Client receives a drug test result indicating any substance abuse,
3 | CONTRACTOR shall formulate and implement a plan of corrective action which shall be documented
4 | in the Client record. CONTRACTOR shall notify ADMINISTRATOR within two (2) business days of
5 | receipt of such test results via an incident report indicating the corrective action to be taken by the Client
6 | if the Client is allowed to remain in the program.

7 | C. Deleted.

8 | D. CULTURAL COMPETENCY – CONTRACTOR shall provide culturally competent services.
9 | CONTRACTORS must ensure that their policies, procedures, and practices are consistent with the
10 | principles outlined and are embedded in the organizational structure, as well as being upheld in day-to-
11 | day operations. Translation services must be available for beneficiaries, as needed. CONTRACTOR
12 | shall maintain documentation of such efforts which may include; but not be limited to: records of
13 | participation in COUNTY-sponsored or other applicable training; recruitment and hiring policies and
14 | procedures; copies of literature in multiple languages and formats, as appropriate; and descriptions of
15 | measures taken to enhance accessibility for, and sensitivity to, individuals who are physically
16 | challenged.

17 | E. CONTRACTOR shall include bilingual/bicultural services to meet the needs of threshold
18 | languages as determined by COUNTY. Whenever possible, bilingual/bicultural staff should be retained.
19 | Any clinical vacancies occurring at a time when bilingual and bicultural composition of the clinical
20 | staffing does not meet the above requirement must be filled with bilingual and bicultural staff unless
21 | ADMINISTRATOR consents, in writing, to the filling of those positions with non-bilingual staff.
22 | Salary savings resulting from such vacant positions may not be used to cover costs other than salaries
23 | and employees benefits unless otherwise authorized in writing, in advance, by ADMINISTRATOR.

24 | F. POSTINGS – CONTRACTOR shall post the following in a prominent place within the facility:

- 25 | 1. State Licensure and Certification
- 26 | 2. Business License
- 27 | 3. Conditional Use Permit (if applicable)
- 28 | 4. Fire clearance
- 29 | 5. Client rights
- 30 | 6. Grievance procedure
- 31 | 7. Employee Code of Conduct
- 32 | 8. Evacuation floor plan
- 33 | 9. Equal Employment Opportunity notices
- 34 | 10. Name, address, telephone number for fire department, crisis program, local law
35 | enforcement, and ambulance service.

36 | 11. List of resources within community which shall include medical, dental, mental health,
37 | public health, social services and where to apply for determination of eligibility for Federal, State, or

1 County entitlement programs.

2 12. Information on self-help meetings. AA, NA, and non-12 step meetings shall be included.

3 G. NO PROSELYTIZING POLICY – CONTRACTOR shall not conduct any proselytizing
4 activities, regardless of funding sources, with respect to any person who has been referred to
5 CONTRACTOR by COUNTY under the terms of this Agreement. Further, CONTRACTOR agrees that
6 the funds provided hereunder shall not be used to promote, directly or indirectly, any religion, religious
7 creed or cult, denomination or sectarian institution, or religious belief.

8 H. AUTHORITY – CONTRACTOR shall recognize the authority of OCPD as officers of the
9 court, and shall extend cooperation to OCPD within the constraints of CONTRACTOR’s program of
10 substance use disorder residential services.

11 I. NON-SMOKING POLICY – CONTRACTOR shall establish a written non-smoking policy
12 which shall be reviewed and approved by ADMINISTRATOR. At a minimum, the non-smoking policy
13 shall specify that the facility is “smoke free” and that designated smoking areas are outside the visiting
14 areas at the facility.

15 J. CLIENT SIGN IN/OUT LOG AND SCHEDULE – CONTRACTOR shall maintain a resident
16 sign in/out log for all residents, which shall include, but not be limited to, the following:

- 17 1. Client’s schedule for treatment, work, education or other activities;
- 18 2. Location and telephone number where the Client may be reached; and
- 19 3. Requirement for all Clients to notify the program of any change in his/her schedule.

20 K. GOOD NEIGHBOR POLICY – ADMINISTRATOR has established a Good Neighbor Policy
21 for the purpose of identifying community impacts and measures to mitigate those impacts. The Good
22 Neighbor Policy is a set of principles and activities designed to provide a consistent means of
23 communication between facilities that provide client services and their respective neighbors. The Good
24 Neighbor Policy is applicable for Residential Programs when CONTRACTOR provides service to
25 County residents and the services have a potential impact including but not limited to community safety,
26 cleanliness, and security in the surrounding neighborhood(s).

27 a. ADMINISTRATOR shall provide CONTRACTOR with a copy of the Good Neighbor Policy,
28 attached hereto as Exhibit D.

29 b. CONTRACTOR agrees to adhere to the Good Neighbor Policy to the fullest extent possible. In
30 addition, each facility shall develop a written procedure for the handling of neighborhood complaints
31 which shall be approved by ADMINISTRATOR. Approved procedure must be available onsite, readily
32 accessible upon request, and include ADMINISTRATOR’s contact information as provided.

33 c. Non-compliance with this Paragraph and Exhibit D shall constitute a material breach of this
34 Agreement and constitute cause for immediate termination of this Agreement.

35 L. VISITATION POLICY – CONTRACTOR shall establish a written Visitation Policy, which
36 shall be reviewed and approved by ADMINISTRATOR, which shall include, but not be limited to, the
37 following:

- 1 1. Sign in logs;
- 2 2. Visitation hours; and
- 3 3. Designated visiting areas at the Facility.

4 M. TRANSGENDER POLICY – CONTRACTOR shall establish a written Transgender Policy,
5 which shall be reviewed and approved by ADMINISTRATOR. The policy shall include, but not limited
6 to, the following:

- 7 1. Admission
- 8 2. Housing arrangement
- 9 3. Bathroom privacy
- 10 4. Drug testing

11 N. MEDICATION POLICY – CONTRACTOR shall establish a written Medication Policy, which
12 shall be reviewed and approved by ADMINISTRATOR. The policy shall include but not be limited to
13 the securing, handling, and administration of medication(s) prescribed to the Client. The policy shall
14 address Medications that are prescribed for substance and mental health disorders. Clients shall be
15 allowed to have Medications during their stay with the program, and/or to have the ability to get
16 refill(s).

17 O. OPIOID OVERDOSE EMERGENCY TREATMENT – CONTRACTOR shall have available
18 at each program site at minimum two (2) unexpired Naloxone doses or other opioid reversal medication
19 for the treatment of known or suspected opioid overdose. At least one (1) staff per shift shall be trained
20 in administering the Naloxone. Naloxone is not a substitute for emergency medical care.
21 CONTRACTOR shall always seek emergency medical assistance in the event of a suspected, potentially
22 life-threatening opioid emergency.

23 P. TOKENS – ADMINISTRATOR will provide CONTRACTOR the necessary number of Tokens
24 for appropriate individual staff to access IRIS at no cost to the CONTRACTOR.

25 1. CONTRACTOR recognizes that a Token is assigned to a specific individual staff member
26 with a unique password. Tokens and passwords shall not be shared with anyone.

27 2. CONTRACTOR shall maintain an inventory of the Tokens, by serial number, and the staff
28 member to whom each is assigned.

29 3. CONTRACTOR shall indicate in the monthly staffing report, the serial number of the
30 Token for each staff member assigned a Token.

31 4. CONTRACTOR shall return to ADMINISTRATOR all Tokens under the following
32 conditions:

- 33 a. Token of each staff member who no longer supports this Agreement.
- 34 b. Token of each staff member who no longer requires access to IRIS.
- 35 c. Token of each staff member who leaves employment of CONTRACTOR.
- 36 d. Tokens malfunctioning.

37 5. ADMINISTRATOR will issue Tokens for CONTRACTOR's staff members who require

1 access to the IRIS upon initial training or as a replacement for malfunctioning Tokens. CONTRACTOR
2 shall reimburse the COUNTY for Tokens lost, stolen, or damaged through acts of negligence.

3 Q. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the
4 General Requirements Paragraph of this Exhibit A to the Agreement.

5 6 **III. PAYMENTS**

7 A. BASIS FOR REIMBURSEMENT – As compensation to CONTRACTOR for services provided
8 pursuant to the Agreement, COUNTY shall pay CONTRACTOR monthly in arrears at the following
9 rates of reimbursement; provided, however, the total of all such payments to CONTRACTOR and all
10 other COUNTY CONTRACTORS for all substance use disorder treatment services for substance users
11 shall not exceed COUNTY's Amount Not To Exceed as set forth in the Referenced Contract Provisions
12 of the Agreement; and provided further, that CONTRACTOR's costs are allowable pursuant to
13 applicable COUNTY, federal, and state regulations. Furthermore, if CONTRACTOR is ineligible to
14 provide services due to non-compliance with licensure and/or certification standards of the state,
15 COUNTY or OCPD, ADMINISTRATOR may elect to reduce COUNTY'S amount not to exceed
16 proportionate to the length of time that CONTRACTOR is ineligible to provide services.
17 CONTRACTOR shall ensure compliance with all DMC billing and documentation requirements when
18 entering Units of Service into COUNTY IRIS system. ADMINISTRATOR may reduce, withhold or
19 delay any payment associated with non-compliant billing practices. If CAPs are not completed within
20 timeframes as determined by ADMINISTRATOR, payments may be reduced accordingly.

21 1. For Medi-Cal services provided pursuant to the Agreement, COUNTY shall claim
22 reimbursement to the State Medi-Cal unit on behalf of CONTRACTOR to the extent these services are
23 eligible.

24 2. Proper DMC certification and enrollment with the Provider Enrollment Division (PED) of
25 DHCS, through the Provider Application and Validation for Enrollment (PAVE) system is required.
26 CONTRACTOR shall submit proof of enrollment for each new rendering provider as required by
27 regulations. Failure to demonstrate provider enrollment within six months of services being rendered
28 shall result in disallowance of those services by pending providers.

29 3. CONTRACTOR shall submit appropriate Medi-Cal billing to ADMINISTRATOR on a
30 monthly basis. ADMINISTRATOR shall review billing and remit to Accounting for submission to the
31 State Medi-Cal unit.

32 4. CONTRACTOR shall assume responsibility for any audit disallowances or penalties
33 imposed on COUNTY by the State related to amounts or services claimed by COUNTY on behalf of
34 CONTRACTOR. CONTRACTOR shall reimburse COUNTY for any such disallowances or penalties
35 within thirty (30) days of written notification by COUNTY.

Mode of Service	Reimbursement Rate				
	PERIOD ONE	PERIOD TWO	PERIOD THREE	PERIOD FOUR	PERIOD FIVE
Residential Treatment 3.1 (per bed day)	N/A	N/A	N/A	N/A	\$194.16
Residential Treatment 3.5 (per bed day)	N/A	N/A	N/A	N/A	\$257.37
Room and Board 3.1 (per bed day)	N/A	N/A	N/A	N/A t	Actual Cost
Room and Board 3.5 (per bed day)	N/A	N/A	N/A	N/A	Actual Cost
Case Management (per 15 minute increment)	N/A	N/A	N/A	N/A	\$34.30
Medication Assisted Treatment (per 15 minute increment)	N/A	N/A	N/A	N/A	N/A

B. PAYMENT METHOD – COUNTY shall pay CONTRACTOR monthly in arrears, however, that the total of such payments shall not exceed the COUNTY’s Amount Not To Exceed. CONTRACTOR’s invoices shall be on a form approved or provided by ADMINISTRATOR and shall provide such information as is required by ADMINISTRATOR. Invoices are due by the twentieth (20th) calendar day of each month, and payments to CONTRACTOR should be released by COUNTY no later than thirty (30) calendar days after receipt of the correctly completed invoice form.

C. Monthly payments are interim payments only, and subject to Final Settlement in accordance with the Cost Report Paragraph of this Agreement. Invoices received after the due date may not be paid in accordance with Subparagraph II.B of this Exhibit A to the Agreement.

D. All invoices to COUNTY shall be supported, at CONTRACTOR’s facility, by source documentation including, but not limited to, ledgers, books, vouchers, journals, time sheets, payrolls, appointment schedules, schedules for allocating costs, invoices, bank statements, canceled checks, receipts, receiving records, and records of services provided.

E. ADMINISTRATOR may withhold or delay any payment if CONTRACTOR fails to comply with any provision of this Agreement.

F. COUNTY shall not reimburse CONTRACTOR for services provided beyond the expiration and/or termination of this Agreement.

G. In conjunction with Subparagraph II.A above, CONTRACTOR shall not enter Units of Service into the COUNTY IRIS system for services not rendered. If such information has been entered, CONTRACTOR shall make corrections within ten (10) calendar days from notification by ADMINISTRATOR. Additionally, to assist in the protection of data integrity, CONTRACTOR shall create a procedure to ensure separation of duties between the individual performing direct services (LPHA, clinicians, counselors, etc.), and the clerical staff who enter information into the IRIS system.

1 Clerical staff shall enter data into IRIS using the chart information provided by the direct service staff.

2 H. CONTRACTOR shall ensure compliance with all DMC billing and documentation
3 requirements when entering Units of Service into COUNTY IRIS system. ADMINISTRATOR shall
4 withhold payment for non-compliant Units of Service, and may reduce, withhold or delay any payment
5 associated with non-compliant billing practices.

6 I. CONTRACTOR may be required to have an audit conducted in accordance with federal OMB
7 Circular A-133. CONTRACTOR shall be responsible for complying with any federal audit
8 requirements within the reporting period specified by OMB Circular A-133.

9 J. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the
10 Payments Paragraph of this Exhibit A to the Agreement.

11 **IV. RECORDS**

12 A. FINANCIAL RECORDS – CONTRACTOR shall prepare and maintain accurate and complete
13 financial records of its costs and operating expenses. Such records shall reflect the actual costs of the
14 type of service for which payment is claimed in accordance with generally accepted accounting
15 principles.
16

17 1. Any apportionment of or distribution of costs, including indirect costs, to or between
18 programs or cost centers of CONTRACTOR shall be documented, and shall be made in accordance with
19 generally accepted accounting principles.

20 2. CONTRACTOR shall account for funds provided through this Agreement separately from
21 other funds, and maintain a clear audit trail for the expenditure of funds.

22 3. CLIENT FEES – Pursuant to 42 CFR 438.106, CONTRACTOR shall not collect fees from
23 a Medi-Cal beneficiary or persons acting on behalf of the beneficiary for any SUD or related
24 administrative services provided under this Agreement, except to collect other health insurance
25 coverage, share of cost, and co-payments. Drug Medi-Cal is payment in full for treatment services
26 rendered for Medi-Cal beneficiaries.

27 B. CLIENT RECORDS – CONTRACTOR shall maintain adequate records in accordance with the
28 licensing authority, DHCS, the Orange County DMC ODS CalAIM Documentation Manual, and CCR,
29 Title 22, related to DMC on each individual Client in sufficient detail to permit an evaluation of
30 services, which shall include, but not limited to:

31 1. Documentation of ADMINISTRATOR's Residential Treatment Authorization for
32 Residential Treatment Services.

33 2. Documentation that RTS for substance use disorders are appropriate for the Client. This
34 shall include initial medical necessity determination for the DMC-ODS benefit performed through a
35 face-to-face review by a LPHA. Additionally, the ASAM Criteria assessment will be applied to
36 determine placement into the level of assessed services and documented in the Client record.

37 3. Intake and admission data, including, if applicable, a physical examination;

- 1 4. Problem lists;
- 2 5. Reassessments of client functioning based on ASAM criteria;
- 3 6. Progress notes;
- 4 7. Continuing services justifications;
- 5 8. Laboratory test orders and results;
- 6 9. Referrals;
- 7 10. Discharge plan;
- 8 11. Discharge summary;
- 9 12. Any other information relating to the treatment services rendered to the Client; and
- 10 13. A sign-in sheet for every group counseling session.

11 C. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the
 12 Records Paragraph of this Exhibit A to the Agreement.

13
 14 **V. REPORTS**

15 **A. MONTHLY PROGRAMMATIC**

16 1. CONTRACTOR shall submit a monthly programmatic report to ADMINISTRATOR,
 17 including information required and on a form approved or provided by ADMINISTRATOR. These
 18 monthly programmatic reports should be submitted to ADMINISTRATOR no later than the tenth (10th)
 19 calendar day of the month following the report month.

20 2. CONTRACTOR shall be responsible for including in the monthly programmatic report any
 21 problems in implementing the provisions of this Agreement, pertinent facts or interim findings, staff
 22 changes, status of license(s) and/or certification(s), changes in population served, and reasons for any
 23 changes. Additionally, a statement that the CONTRACTOR is or is not progressing satisfactorily in
 24 achieving all the terms of the Agreement shall be included.

25 **B. FISCAL**

26 1. In support of the monthly invoice, CONTRACTOR shall submit monthly Expenditure and
 27 Revenue Reports to ADMINISTRATOR. These reports shall be on a form acceptable to, or provided by
 28 ADMINISTRATOR and shall report actual costs and revenues for each of the CONTRACTOR's
 29 program(s) or cost center(s) described in the Services Paragraph of Exhibit A to the Agreement.
 30 CONTRACTOR shall submit these reports by no later than twenty (20) calendar days following the end
 31 of the month reported.

32 2. CONTRACTOR shall submit Year-End Projection Reports to ADMINISTRATOR. These
 33 reports shall be on a form acceptable to, or provided by, ADMINISTRATOR and shall report
 34 anticipated year-end actual costs and revenues for CONTRACTOR's program(s) or cost center(s)
 35 described in the Services Paragraph of Exhibit A to the Agreement. Such reports shall include actual
 36 monthly costs and revenue to date and anticipated monthly costs and revenue to the end of the fiscal
 37 year. Year-End Projection Reports shall be submitted at the same time as the monthly Expenditure and

1 Revenue Reports

2 C. MONTHLY IRIS – CONTRACTOR shall input all Units of Service provided in COUNTY’s
3 IRIS database for the preceding month no later than the fifth (5th) calendar day of the month following
4 the report month.

5 D. CalOMS – CONTRACTOR shall complete a CalOMS encounter and a CalOMS admission
6 record in IRIS within seven (7) calendar days of Client admission. CONTRACTOR shall complete a
7 CalOMS discharge record in IRIS within seven (7) calendar days of Client discharge. CONTRACTOR
8 shall run a CalOMS error report and correct any errors within two (2) business days of submitting the
9 CalOMS admission or discharge, and continue to recheck until error free.

10 E. MONTHLY DATAR – CONTRACTOR shall provide reports under the DATAR, and/or any
11 other State reporting system in a manner prescribed by ADMINISTRATOR, no later than the fifth (5th)
12 calendar day of the month following the report month.

13 F. Access Log – CONTRACTOR shall track and enter information on requests for services into
14 IRIS.

15 G. Level of Care Summaries – CONTRACTOR shall enter ASAM level of care information into
16 IRIS on each ASAM level of care assessment completed.

17 H. ADDITIONAL REPORTS – CONTRACTOR shall make additional reports as required by
18 ADMINISTRATOR concerning CONTRACTOR’s activities as they affect the services hereunder.
19 ADMINISTRATOR will be specific as to the nature of the information requested and the timeframe the
20 information is needed.

21 I. CONTRACTOR agrees to enter psychometrics into COUNTY’s EHR system as requested by
22 ADMINISTRATOR. Said psychometrics are for the COUNTY’s analytical uses only, and shall not be
23 relied upon by CONTRACTOR to make clinical decisions. CONTRACTOR agrees to hold COUNTY
24 harmless, and indemnify pursuant to Section XI, from any claims that arise from non-COUNTY use of
25 said psychometrics.

26 J. CONTRACTOR agrees to submit reports as required by the ADMINISTRATOR and/or the
27 State.

28 K. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the
29 Reports Paragraph of this Exhibit A to the Agreement.

30
31 **VI. SERVICES**

32 A. FACILITY – CONTRACTOR shall operate a DHCS licensed substance use disorder residential
33 treatment facility in accordance with the standards established by COUNTY and the State within the
34 specifications stated below, unless otherwise authorized by the ADMINISTRATOR. Program shall
35 have DMC certification and must be designated by DHCS as capable of delivering care consistent with
36 ASAM treatment criteria. Residential services may be provided in facilities with no bed capacity limit.
37 The environment shall be healthy and safe and the facility shall be clean and in good repair. Unless

1 otherwise authorized in writing by ADMINISTRATOR, CONTRACTOR shall maintain regularly
2 scheduled service hours, seven (7) days a week, twenty-four (24) hours per day, three hundred sixty-five
3 (365) days a year. The facility will have, at a minimum: a kitchen, dining room, and laundry facilities,
4 with enough space for leisure time and group activities. Services shall be provided at the following
5 locations, or at any other location approved in advance, in writing, by ADMINISTRATOR:

6
7 12781 Josephine St, Garden Grove, CA 92841
8

9 B. LENGTH OF STAY - Length of stay is based on medical necessity as determined by a
10 Licensed Practitioner of the Healing Arts. The County of Orange is adhering to the state goal of a 30-
11 day average in the residential level of care based on medical necessity. At CONTRACTOR’S discretion,
12 CONTRACTOR may hold a Client’s bed during a temporary absence. A temporary absence will be
13 seven (7) days or less during which the Client is absent from the program due to a brief hospitalization
14 for physical or mental health condition including detoxification, family death or emergency, or flash
15 incarceration. A temporary absence bed day hold is not reimbursed by ADMINISTRATOR. Client’s
16 readmission does not count as a new treatment episode and will not necessitate a new treatment
17 authorization or CalOMS admission. Documentation timelines must adhere to original admission date.

18 C. PERSONS TO BE SERVED – In order to receive services through the DMC-ODS, the Client
19 must be enrolled in Medi-Cal or plan to enroll in Medi-Cal, reside in Orange County, and meet medical
20 necessity criteria, as outlined below.

21 D. MEDI-CAL ELIGIBILITY - MEDICAL NECESSITY

22 1. CONTRACTOR must verify the Medi-Cal eligibility determination of potential Clients.

23 2. ADMINISTRATOR will reimburse up to thirty (30) calendar days of treatment for
24 unfunded Clients with realignment funding while CONTRACTOR assists Client in applying for benefits
25 or transferring Medi-Cal benefits to Orange County. Exceptions to the thirty (30) calendar day
26 maximum must be approved by ADMINISTRATOR. The Health plan in IRIS will be assigned as “Self
27 Pay”. When applying for Medi-Cal, client shall request that Medi-Cal coverage is retroactively applied
28 to date of admission. If current Medi-Cal is assigned to a different county (not Orange County), Client
29 must initiate transfer within ten (10) calendar days of admission. If county of responsibility is other than
30 Orange County and county of residence in Medical Eligibility Data System is Orange County and Medi-
31 Cal transfer has been initiated, CONTRACTOR shall enter Health plan as “Medi-Cal” in IRIS. These
32 claims will be accepted by the State. If both county of responsibility and county of residence are other
33 than Orange County, Contractor shall assign the Health plan as “Self-Pay”. CONTRACTOR shall
34 review Self Pay Health Plan claims from the previous month and recheck eligibility status. If claims
35 dates are covered by Medi-Cal, CONTRACTOR shall update the Health Plan and these claims will be
36 automatically credited and re-dropped by the IRIS system.

37 3. Medical necessity for an adult [an individual age twenty-one (21) and over] is determined

1 using the following criteria:

2 a. The individual must have received at least one diagnosis from the DSM for Substance-
3 Related and Addictive Disorders with the exception of Tobacco-Related Disorders and Non-Substance-
4 Related Disorders;

5 b. The individual must meet the ASAM Criteria definition of medical necessity for services
6 based on the ASAM Criteria.

7 4. Individuals under age twenty-one (21) are eligible to receive Medicaid services pursuant to
8 the EPSDT mandate. Under the EPSDT mandate, beneficiaries under the age twenty-one (21) are
9 eligible to receive all appropriate and medically necessary services needed to correct and ameliorate
10 health conditions that are coverable under section 1905(a) Medicaid authority. For individuals under 21
11 years of age, a service is “medically necessary” or a “medical necessity” if the service is necessary to
12 correct or ameliorate screened health conditions. Consistent with federal guidance, services need not be
13 curative or completely restorative to ameliorate a health condition, including substance misuse and
14 SUDs. Services that sustain, support, improve, or make more tolerable substance misuse or a SUD are
15 considered to ameliorate the condition and are thus covered as EPSDT services.

16 5. Medical necessity for an adolescent individual [an individual under the age of twenty-one
17 (21)] is determined using the following criteria:

18 a. The adolescent individual must be assessed to be at risk for developing a SUD; and

19 b. The adolescent individual must meet the ASAM adolescent treatment criteria.

20 E. ADMISSIONS

21 1. CONTRACTOR shall accept any person with Orange County Medi-Cal; and who is
22 physically and mentally able to comply with the program's rules and regulations. Said persons shall
23 include persons with a concurrent diagnosis of mental illness, i.e., those identified as having a co-
24 occurring diagnosis. Persons with co-occurring disorders and others who require prescribed medication
25 shall not be precluded from acceptance or admission solely based on their licit use of prescribed
26 medications.

27 2. CONTRACTOR shall have policies and procedures in place to screen for emergency
28 medical conditions and immediately refer beneficiaries to emergency medical care.

29 3. CONTRACTOR shall have a policy that requires a Client who shows signs of any
30 communicable disease or through medical disclosure during the intake process admits to a health-related
31 problem that would put others at risk, to be cleared medically before services are provided.

32 4. Admission Policy – CONTRACTOR shall establish and make available to the public a
33 written Admission Policy. ADMINISTRATOR may revise Admission Policy due to funding.
34 Admission Policy shall recognize the following specialty populations:

35 a. pregnant persons who have a substance use disorder and inject substances.

36 b. pregnant persons who have a substance use disorder.

37 c. persons who have a substance use disorder and inject substances.

1 d. persons who have a recent history of fentanyl use disorder.

2 5. CONTRACTOR's Admission Policy shall reflect all applicable federal, state, and county
3 regulations. CONTRACTOR shall have the right to refuse admission of a person only in accordance
4 with its written Admission Policy; provided, however, CONTRACTOR complies with the
5 Nondiscrimination provisions of this Agreement.

6 6. CONTRACTOR shall initiate services within reasonable promptness and shall have a
7 documented system for monitoring and evaluating the quality, appropriateness, and accessibility of care.

8 F. RESIDENTIAL TREATMENT AUTHORIZATION

9 1. Beneficiaries will be authorized and referred to CONTRACTOR by the ART Team.
10 Beneficiaries who contact CONTRACTOR directly to request services shall be referred by
11 CONTRACTOR to the ART Team. If Beneficiary is pregnant, an intravenous drug user or has a recent
12 history of fentanyl use and meets medical necessity for Residential Treatment, CONTRACTOR may
13 admit to treatment bypassing the ART Team if provider has available bed slot. In this instance,
14 CONTRACTOR will complete a SUD assessment and establish medical necessity for residential level
15 of care. Assessment and authorization request must be submitted to the ART team for authorization
16 within 72 hours of beneficiary admission. CONTRACTOR shall enter data regarding request for
17 service into IRIS access log established by ADMINISTRATOR for these beneficiaries who access
18 provider directly and bypass the ART team.

19 2. If it is determined after assessing the beneficiary that the medical necessity criteria,
20 pursuant to DMC-ODS STCs 128 (e), has not been met, then a written Notice of Adverse Benefit
21 Determination shall be issued in accordance with 42 CFR 438.404 and 42 CFR Part 431, subpart E.

22 G. INFORMING MATERIALS – CONTRACTOR is responsible to distribute informing
23 materials and provider lists that meet the content requirements of 42 CRF 438.100 to beneficiaries when
24 they first access SUD services through the DMC-ODS and on request. Informing materials will be
25 provided by ADMINISTRATOR.

26 H. INTERIM SERVICES – All persons who are not admitted into RTS shall be referred to Interim
27 Services by CONTRACTOR. Interim Services shall be provided until an individual is admitted to
28 residential treatment program. The purposes of the services are to reduce the adverse health effects of
29 such abuse, promote the health of the individual, and reduce the risk of transmission of disease. At a
30 minimum, Interim Services include counseling and education about HIV and TB, about the risks of
31 needle-sharing, the risks of transmission to sexual partners and infants, and about steps that can be taken
32 to ensure that HIV and TB transmission does not occur, as well as referral for HIV or TB treatment
33 services if necessary. CONTRACTOR shall provide Clients, especially opiate users, with drug overdose
34 education/information. For pregnant women, Interim Services include counseling on the effects of
35 alcohol and drug use on the fetus, as well as referrals for prenatal care. Provision of Interim Services
36 shall be documented on the DATAR and reported monthly to the State.

37 I. SERVICES – CONTRACTOR shall provide a non-institutional, twenty-four (24) hour non-

1 | medical, short-term residential program that provides rehabilitation services to beneficiaries in
2 | accordance with an individualized treatment plan. These services are intended to be individualized to
3 | treat the functional deficits identified in the ASAM Criteria. In the residential treatment environment, an
4 | individual's functional cognitive deficits may require treatment that is primarily slower paced, more
5 | concrete and repetitive in nature. The daily regimen and structured patterns of activities are intended to
6 | restore cognitive functioning and build behavioral patterns within a community. Each Client shall live
7 | on the premises and shall be supported in their efforts to restore, maintain and apply interpersonal and
8 | independent living skills and access community support systems. CONTRACTORS and residents work
9 | collaboratively to define barriers, set priorities, establish goals, create treatment plans, and solve
10 | problems. Goals include sustaining abstinence, preparing for relapse triggers, improving personal health
11 | and social functioning, and engaging in continuing care. Residential Treatment program shall consist
12 | of the following:

13 | 1. Intake: The process of determining that a Client meets the medical necessity criteria and a
14 | Client is admitted into a substance use disorder treatment program. Intake includes the evaluation or
15 | analysis of substance use disorders; the diagnosis of substance use disorders; and the assessment of
16 | treatment needs to provide medically necessary services. Intake may include a physical examination and
17 | laboratory testing necessary for substance use disorder treatment.

18 | 2. Individual Counseling: Contacts between a Client and a therapist or counselor.

19 | 3. Group Counseling: Face-to-face contacts in which one or more therapists or counselors
20 | treat two or more Clients at the same time with a maximum of twelve (12) in the group, focusing on the
21 | needs of the individuals served.

22 | 4. Family Therapy: When clinically appropriate, family members can provide social support
23 | to the Client, help motivate their loved one to remain in treatment, and receive help and support for their
24 | own family recovery as well.

25 | 5. Patient Education: Provide research-based education on addiction, treatment, recovery and
26 | associated health risks.

27 | 6. Medication Storage: Facilities will store all Client medication and facility staff members
28 | will oversee resident's self-administration of medication.

29 | 7. Collateral Services: Sessions with therapists or counselors and significant persons in the life
30 | of the Client, focused on the treatment needs of the Client in terms of supporting the achievement of the
31 | Client's treatment goals. Significant persons are individuals that have a personal, not official or
32 | professional, relationship with the Client.

33 | 8. Crisis Intervention Services: Contact between a therapist or counselor and a Client in crisis.
34 | Services shall focus on alleviating crisis problems. "Crisis" means an actual relapse or an unforeseen
35 | event or circumstance which presents to the Client an imminent threat of relapse. Crisis intervention
36 | services shall be limited to the stabilization of the Client's emergency situation.

37 | 9. Deleted.

1 10. Structured Therapeutic Activities: Residential Treatment Services shall consist of a
2 minimum of twenty (20) hours of structured activity per week.

3 11. EBPs: CONTRACTORS will implement at least two of the following EBPs. The two EBPs
4 are per CONTRACTOR per service modality. The required EBP include:

5 a. Motivational Interviewing: A Client-centered, empathetic, but directive counseling
6 strategy designed to explore and reduce a person's ambivalence toward treatment. This approach
7 frequently includes other problem-solving or solution-focused strategies that build on Clients' past
8 successes.

9 b. Cognitive-Behavioral Therapy: Based on the theory that most emotional and behavioral
10 reactions are learned and that new ways of reacting and behaving can be learned.

11 c. Relapse Prevention: A behavioral self-control program that teaches individuals with
12 substance addiction how to anticipate and cope with the potential for relapse. Relapse prevention can be
13 used as a stand-alone substance use treatment program or as an aftercare program to sustain gains
14 achieved during initial substance use treatment.

15 d. Trauma-Informed Treatment: Services must take into account an understanding of
16 trauma, and place priority on trauma survivors' safety, choice and control.

17 e. Psycho-Education: Psycho-educational groups are designed to educate Clients about
18 substance abuse, and related behaviors and consequences. Psycho-educational groups provide
19 information designed to have a direct application to Clients' lives; to instill self-awareness, suggest
20 options for growth and change, identify community resources that can assist Clients in recovery,
21 develop an understanding of the process of recovery, and prompt people using substances to take action
22 on their own behalf.

23 12. Case Management or Care Coordination: Case Management or Care Coordination services
24 may be provided by a LPHA or registered/ certified counselor and will be provided based on the
25 frequency documented in the individualized treatment plan. Case management shall provide advocacy
26 and care coordination to physical health, mental health, transportation, housing, vocational, educational,
27 and transition services for reintegration into the community. CONTRACTOR shall provide Case
28 Management services for the Client during treatment, transition to other levels of care and follow ups, to
29 encourage the Client to engage and participate in an appropriate level of care or Recovery Services after
30 discharge. Case Management or Care Coordination becomes the responsibility of the next treating
31 provider after successful transition to a different level of care. Contractor shall ensure that Case
32 Management or Care Coordination services focus on coordination of SUD care, integration around
33 primary care especially for beneficiaries with a chronic SUD, and interaction with the criminal justice
34 system, if needed. Case Management services may be provided face-to-face, by telephone, or by
35 telehealth with the Client and may be provided anywhere in the community.

36 13. Medication Assisted Treatment - MAT services may be provided onsite with approval for
37 Incidental Medical Services from DHCS. Medically necessary MAT services must be provided in

1 accordance with an individualized treatment plan determined by a licensed physician or LPHA working
2 within their scope of practice.

3 a. MAT services must be provided in compliance with Policy and Procedures submitted to
4 DHCS for IMS designation. CONTRACTOR must ensure ability to continue MAT after discharge
5 through linkage to appropriate prescriber. MAT shall include the assessment, treatment planning,
6 ordering, prescribing, administering, and monitoring of all medications for SUDs.

7 b. CONTRACTOR shall provide administration of buprenorphine, naltrexone (oral and
8 injectable), acamprosate, disulfiram, and vivitrol. Other approved medications in the treatment of SUDs
9 may also be prescribed and administered, as medically necessary.

10 c. CONTRACTOR must provide care coordination with treatment and ancillary service
11 providers and facilitate transitions between levels of care. Clients may simultaneously participate in
12 MAT services and other ASAM LOCs.

13 d. CONTRACTOR must participate in ADMINISTRATOR'S Medication Monitoring
14 practices process as a quality assurance measure. Medication Monitoring is to assure the appropriateness
15 of medication prescriptions for Mental Health and Recovery (MHRS) Clients and to establish practices
16 for monitoring the safety and effectiveness of medication practices in MHRS.

17 14. Care Coordination for Mental and Physical Health: Programs must screen for mental health
18 issues and provide or refer for needed services. CONTRACTOR shall notify Client's medical home
19 provider of Client's admission to treatment within seven (7) days of admission and request
20 medical records/ physical exam. If Client does not have a medical home, identifying one shall be on the
21 treatment plan.

22 15. Physician Consultation: Physician Consultation Services include DMC physicians'
23 consulting with addiction medicine physicians, addiction psychiatrists or clinical pharmacists. Physician
24 consultation services are designed to assist DMC physicians by allowing them to seek expert advice
25 with regards to designing treatment plans for specific DMC-ODS beneficiaries. Physician consultation
26 services may address medication selection, dosing, side effect management, adherence, drug
27 interactions, or level of care considerations. ADMINISTRATOR will provide one or more physicians or
28 pharmacists to provide consultation services.

29 16. Discharge Services: The process to prepare the Client for referral into another level of care,
30 post treatment return or reentry into the community, and/or the linkage of the individual to essential
31 community treatment, housing and human services. CONTRACTOR shall provide or arrange for
32 transportation of Clients to aftercare destination. CONTRACTOR shall begin discharge planning
33 immediately after enrollment.

34 a. Discharge Plan – CONTRACTOR shall develop a formal discharge plan within thirty (30)
35 calendar days prior to Client's planned discharge from the program. A discharge plan is to be
36 completed for each Client, except a Client with whom the provider loses contact. The discharge plan
37 shall be completed and signed by the LPHA or counselor and the Client. A copy of the discharge plan

1 shall be provided to the Client and retained in the Client's record. The discharge plan shall include, but
2 not be limited to, all of the following:

- 3 1) A description of each of the Client's relapse triggers;
- 4 2) A plan to assist the Client to avoid relapse when confronted with each trigger;
- 5 3) A support plan; and
- 6 4) Referrals and linkages to appropriate resources.

7 b. Discharge Summary – The discharge summary is to be completed by the LPHA or
8 counselor within thirty (30) calendar days of the date of the last face-to-face treatment contact with the
9 Client.

10 17. Deleted.

11 18. Food and Other Services: CONTRACTOR shall provide a clean, safe environment,
12 toiletries, clean linen, and food service.

13 19. Support Services: CONTRACTOR shall provide housekeeping, which may be done by
14 Clients; laundry access; and maintenance.

15 20. Health, Medical, Psychiatric and Emergency Services – CONTRACTOR shall ensure that
16 all persons admitted for Residential Treatment services have a health questionnaire completed using
17 form DHCS 5103 form, or may develop their own form provided it contains, at a minimum, the
18 information requested in the DHCS 5103 form.

19 a. The health questionnaire is a Client's self-assessment of his/her current health status
20 and shall be completed by Client.

21 1) CONTRACTOR shall review and approve the health questionnaire form prior to
22 Client's admission to the program. The completed health questionnaire shall be signed and dated by
23 CONTRACTOR and Client, prior to admission.

24 2) A copy of the questionnaire shall be filed in the Client's record.

25 b. CONTRACTOR shall, based on information provided by Client on the health
26 questionnaire form, refer Client to licensed medical professionals for physical and laboratory
27 examinations as appropriate.

28 1) CONTRACTOR shall obtain a copy of Client's medical clearance or release prior
29 to Client's admission to the program when applicable.

30 2) A copy of the referral and clearance shall be filed in the Client's file.

31 3) CONTRACTOR shall provide directly or by referral: HIV education, voluntary,
32 HIV antibody testing and risk assessment and disclosure counseling.

33 4) The programs shall have written procedures for obtaining medical or psychiatric
34 evaluation and emergency and non-emergency services.

35 5) The programs shall post the name, address, and telephone number for the fire
36 department, a crisis program, local law enforcement, and ambulance service.

37 6) CONTRACTOR shall provide TB services to the Clients by referral to COUNTY

1 or another appropriate provider. TB services shall be provided within thirty (30) calendar days of
2 admission. These TB services shall consist of the following:

- 3 a) Counseling with respect to TB;
- 4 b) Testing to determine whether the individual has been infected and to determine the
5 appropriate form of treatment;
- 6 c) Provision for, or referral of, infected Clients for medical evaluation, treatment and
7 clearance. CONTRACTOR shall ensure that a TB-infected Client is medically cleared prior to
8 commencing treatment.

9 21. Transportation Services

10 a. COUNTY shall only pay for medical ambulance or medical van transportation to and
11 from designated residential substance use disorder treatment programs or health facilities through the
12 COUNTY's Medical Transportation Agreement under the following conditions:

13 1) Ambulance transportation shall be used for services requiring immediate attention
14 for a Client due to any sudden or serious illness or injury requiring immediate medical attention, where
15 delay in providing such services may aggravate the medical condition or cause the loss of life.

16 2) When any Client needs non-emergency transportation as identified in
17 Subparagraph 22.b below, and CONTRACTOR cannot transport Client due to unforeseen circumstances
18 including, but not limited to, staffing constraints, CONTRACTOR vehicle access within a timely
19 manner or Client's physical condition and/or limitations.

20 3) CONTRACTOR shall utilize the COUNTY's Ambulance Monthly Rotation Call
21 Log to request transportation services from Ambulance Providers designated for transportation within
22 the city of the CONTRACTOR's facility for each said month as identified on the log.

23 4) CONTRACTOR shall use its best efforts to contact Ambulance Providers
24 identified on the Monthly Rotation Call Log as those providers who offer van transportation services if
25 and when an ambulance is not required.

26 5) CONTRACTOR shall be held liable and may be billed by the Ambulance Provider
27 for services requested by CONTRACTOR that are deemed inappropriate for use and not a covered
28 service under this section by the COUNTY.

29 b. Non-Emergency Transportation – CONTRACTOR shall transport Client to locations
30 that are considered necessary and/or important to the Client's recovery plan including, but not limited to,
31 Social Security Administration offices for Supplemental Security Income benefits and for non-
32 emergency medical or mental health services not identified in Subparagraph 22.a. above, that require
33 treatment at a physician office, urgent care, or emergency room when an ambulance provider is not
34 necessary or required for transportation based on the level of severity and/or services required by the
35 Client.

36 J. RESIDENTIAL LEVELS OF CARE – CONTRACTOR shall provide services in accordance
37 with one of the following DHCS Levels of Care:

1 1. 3.1 – Clinically Managed Low-Intensity Residential Services: Services provided under a
2 level 3.1 designation includes the following:

3 a. Clinical Component:

4 1) Planned clinical program activities (at least five (5) hours/week) directed to
5 stabilize the Client's SUD symptoms, increase motivation, and develop recovery skills;

6 2) Counseling and clinical monitoring to support involvement in productive daily
7 living activities;

8 3) Drug Screening and monitoring of medication adherence;

9 4) Recovery support services, including support for the affected family addiction
10 pharmacotherapy; and

11 5) Residential Component:

12 a) Structured recovery environment with twenty-four (24) hour staffing;

13 b) Community house meetings and responsibilities to promote community
14 recovery concepts and norms; and

15 c) Introduction of Client to local recovery community and resources

16 b. Support Systems:

17 1) Telephone or in-person consultation with a physician and emergency services
18 available twenty-four (24) hours/day, seven (7) days/week;

19 2) Direct affiliations with other levels of care with close coordination of transfer to
20 more intensive levels of care, medication management, and housing services; and

21 3) Ability to arrange for needed procedures as appropriate to the severity and urgency
22 of the Client's condition—to include obtaining pharmacotherapy for psychiatric and anti-addiction
23 medications.

24 2. 3.3 – Clinically Managed Population Specific High-Intensity Residential Services: Services
25 provided under a Level 3.3 designation includes the following:

26 a. Clinical Component:

27 1) Daily clinical services to improve Client's ability to structure and organize adult
28 daily living tasks and succeed in productive daily activities such as work or school;

29 2) Clinical programming to stabilize Client's addiction symptoms and develop
30 recovery skills, which may include a range of cognitive and/or behavioral therapies administered on an
31 individual and group basis;

32 3) Drug Screening and monitoring of medication adherence; and

33 4) Recovery support services, including support for the affected family.

34 b. Assessment: Level 3.3 programs are to provide a thorough biopsychosocial assessment

35 c. Treatment Planning and Documentation

36 d. Support Systems:

37 1) Telephone or in-person consultation with a physician and emergency services

1 available twenty-four (24) hours/day, seven (7) days/week;

2 2) Direct affiliations with other levels of care with close coordination of transfer to
3 more intensive levels of care, medication management, and housing services; and

4 3) Medical, psychiatric, psychological, laboratory and toxicology services available
5 through consultation or referral.

6 3. 3.5 – Clinically Managed High-Intensity Residential Services: Services provided under a
7 Level 3.5 designation includes the following:

8 a. Planned, evidence-based clinical program activities (at least five (5) hours a week) and
9 professional services to stabilize addiction symptoms and develop recovery skills;

10 b. Daily organized programming to improve Client's ability to structure and organize
11 tasks of daily living and recovery;

12 c. Counseling and clinical monitoring to support involvement in productive daily living
13 activities;

14 d. Drug Screening and monitoring of medication adherence;

15 e. Planned community reinforcement designed to foster prosocial values and community
16 living skills;

17 f. Recovery support services, including support for the affected family; and

18 g. Addiction pharmacotherapy

19 K. PERFORMANCE OUTCOMES

20 1. CONTRACTOR shall achieve performance objectives, tracking and reporting Performance
21 Outcome Objective statistics in monthly programmatic reports, as appropriate. ADMINISTRATOR
22 recognizes that alterations may be necessary to the following services to meet the objectives, and,
23 therefore, revisions to objectives and services may be implemented by mutual agreement between
24 CONTRACTOR and ADMINISTRATOR.

25 2. Performance Outcome Objectives

26 a. Objective 1: CONTRACTOR shall provide effective residential substance abuse
27 assessment, treatment, and counseling to Clients with identified alcohol and/or drug problems as
28 measured by Completion Rates:

29 1) Successful Completion Rates shall be calculated by using the number of Clients
30 successfully completing the treatment program or leave with satisfactory progress divided by the total
31 number of Clients discharged during the evaluation period. Seventy percent (70%) of Clients will
32 complete residential treatment program.

33 b. Objective 2: CONTRACTOR shall provide linkage to the next level of care for Clients
34 upon discharge. Thirty percent (30%) of Clients who have discharged will be linked with a lower level
35 of care within thirty (30) calendar days, as measured by charge data entered into the IRIS. Linkage rates
36 for Clients who discharge will include all CalOMS standard discharge dispositions. All CalOMS
37 administrative discharge dispositions will be excluded.

1 L. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the
2 Services paragraph of this Exhibit A to the Agreement.

4 **VII. STAFFING**

5 A. CONTRACTOR shall provide twenty-four (24) hour supervision with at least one (1) staff
6 member on-site at all times. Residential programs shall require twenty-four (24)-hour awake
7 supervision.

8 B. Professional staff shall undergo the HCA credentialing process by the AQIS Managed Care
9 Support Team (MCST) prior to rendering any Medi-Cal covered services.

10 1. The Contractor shall comply with the requirements of the state's established uniform
11 credentialing and re-credentialing policy that addresses behavioral and substance use disorders, outlined
12 in DHCS Information Notice 18-019.

13 2. The Contractor shall follow the county's process for credentialing and re-credentialing of
14 network providers and shall ensure that all registered, licensed or certified staff who deliver Medi-Cal
15 covered services are properly credentialed by the county before delivering any Medi-Cal covered
16 services.

17 C. Professional staff shall be licensed, registered, certified or recognized under California scope of
18 practice statutes. Professional staff shall provide services within their individual scope of practice and
19 receive supervision required under their scope of practice laws.

20 D. Non-professional staff shall receive appropriate onsite orientation and training prior to
21 performing assigned duties. Non-professional staff shall be supervised by professional and/or
22 administrative staff.

23 E. Professional and Non-professional staff are required to have appropriate experience and any
24 necessary training at the time of hiring.

25 F. Registered and certified SUD counselors shall adhere to all requirements in the CCR, Title 9,
26 Division 4, Chapter 8.

27 G. Pursuant to the CCR, Title 9, Division 4, Chapter 8, Subchapter 2, at least thirty percent (30%)
28 of CONTRACTOR staff providing counseling services shall be licensed or certified. All other
29 counseling staff shall be registered.

30 H. CONTRACTOR must have a Medical Director who, prior to the delivery of services under
31 this AGREEMENT with COUNTY has enrolled with DHCS under applicable state regulations, has
32 been screened in accordance with 42 CFR 455.450(a) as a "limited" categorical risk within a year prior
33 to serving as a Medical Director under this AGREEMENT.

34 1. The Medical Director's responsibilities shall, at a minimum include all of the following:

35 a. Ensure that medical care provided by physicians, registered nurse practitioners, and
36 physician assistants meets the applicable standard of care;

37 b. Ensure that physicians do not delegate their duties to non-physician personnel;

- 1 c. Develop and implement medical policies and standards for the provider;
- 2 d. Ensure that physicians, registered nurse practitioners, and physician assistants follow
3 the provider's medical policies and standards;
- 4 e. Ensure that the medical decisions made by physicians are not influenced by fiscal
5 considerations;
- 6 f. Ensure that provider's physicians and LPHAs are adequately trained to perform
7 diagnosis of substance use disorders for beneficiaries, determine the medical necessity of treatment for
8 beneficiaries;
- 9 g. Ensure that provider's physicians are adequately trained to perform other physician
10 duties, as outlined in this section.
- 11 h. Ensuring the physical examination requirements are met for Clients as follows: if a
12 Client had a physical examination within the twelve month period prior to the Client's admission to
13 treatment date, the physician or registered nurse practitioner or physician's assistant (physician
14 extenders) shall review documentation of the Client's most recent physical examination within 30
15 calendar days of the Client's admission to treatment date. As an alternative, the physician or physician
16 extender may perform a physical examination of the Client within 30 calendar days of the Client's
17 admission to treatment date. Written roles and responsibilities and a code of conduct for the medical
18 director shall be clearly documented, signed and dated by a provider representative and the physician by
19 way of a subcontractor agreement.
- 20 2. The substance use disorder medical director may delegate his/her responsibilities to a
21 physician consistent with the provider's medical policies and standards; however, the substance use
22 disorder medical director shall remain responsible for ensuring all delegated duties are properly
23 performed.
- 24 3. Written roles and responsibilities and a code of conduct for the Medical Director shall be
25 clearly documented, signed and dated by a provider representative and the physician.
- 26 I. CONTRACTOR's certification to participate in the DMC program shall automatically
27 terminate in the event that the CONTRACTOR or its owners, officers or directors are convicted of Medi-
28 Cal fraud, abuse or malfeasance. For purposes of this section, a conviction shall include a plea of guilty
29 or nolo contendere.
- 30 J. VOLUNTEERS/INTERNS – CONTRACTOR may augment the above paid staff with volunteers
31 or part-time student interns. Unless waived by ADMINISTRATOR, prior to providing services
32 pursuant to this Agreement, interns shall be Master's Candidates in Counseling or Social Work or have a
33 Bachelor's Degree in a related field or be participating in any state recognized counselor certification
34 program. Additionally, volunteers or student interns must be AOD registered or certified.
35 CONTRACTOR shall provide supervision of work by interns or consistent with school or licensing
36 Board requirements. CONTRACTOR shall provide supervision to volunteers as specified in the
37 respective job descriptions or work contracts. Volunteer or student intern services may not comprise

1 more than twenty percent (20%) of the services provided, unless approved in advance by
2 ADMINISTRATOR.

3 K. STAFF CONDUCT – CONTRACTOR shall establish written Policies and Procedures for
4 employees, volunteers, interns, and members of the Board of Directors which shall include, but not be
5 limited to, standards related to the use of drugs and/or alcohol; staff-Client relationships; prohibition of
6 sexual conduct with Clients; prohibition of forging or falsifying documents or drug tests; and real or
7 perceived conflict of interest. Situations that may be perceived as a conflict of interest shall be brought
8 to the ADMINISTRATOR’s attention prior to the occurrence. Prior to providing any services pursuant
9 to this Agreement all employees, volunteers, and interns shall agree in writing to maintain the standards
10 set forth in the said Policies and Procedures. A copy of the said Policies and Procedures shall be posted
11 in writing in a prominent place in the treatment facility and updated annually by the Board of Directors.

12 L. STAFF/VOLUNTEER/INTERN SCREENING – CONTRACTOR shall provide pre-
13 employment “live scan” screening of any staff person providing services pursuant to this Agreement.
14 All new staff, volunteers, and interns shall pass a one-time “live scan” finger printing background check
15 prior to employment. All staff shall be subject to sanction screening as referenced in the Compliance
16 paragraph. All staff shall also be screened by Megan’s Law, OC Courts and OC Sheriff’s Department
17 on an annual basis. The results of the fingerprint checks will be sent directly from the Department of
18 Justice to CONTRACTOR. Results must remain in staff file.

- 19 1. All staff/volunteers/interns, prior to starting services, shall meet the following requirements:
 - 20 a. No person shall have been convicted of a sex offense for which the person is required
21 to register as a sex offender under PC section 290;
 - 22 b. No person shall have been convicted of an arson offense – Violation of PC sections
23 451, 451.1, 451.5, 452, 45231, 453, 454, or 455;
 - 24 c. No person shall have been convicted of any violent felony as defined in PC section
25 667.5, which involves doing bodily harm to another person, for which the staff member was convicted
26 within five (5) years prior to employment;
 - 27 d. No person shall be on parole or probation.

28 2. Exceptions to staffing requirements set forth above, may be requested if CONTRACTOR
29 deems the decision will benefit the program. Requests for exceptions shall be submitted in writing and
30 approved in advance by ADMINISTRATOR.

31 M. STAFF TRAINING – CONTRACTOR shall develop a written plan for staff training. All Staff
32 training shall be documented and maintained as part of the training plan.

33 1. All personnel shall be trained or shall have experience which provides knowledge of the
34 skills required in the following areas, as appropriate to the job assigned, and as evidenced by safe and
35 effective job performance:

- 36 a. General knowledge of alcohol and/or drug abuse and alcoholism and the principles of
37 recovery;

- 1 b. Housekeeping and sanitation principles;
- 2 c. Principles of communicable disease prevention and control;
- 3 d. Recognition of early signs of illness and the need for professional assistance;
- 4 e. Availability of community services and resources;
- 5 f. Recognition of individuals under the influence of alcohol and/or drugs;
- 6 g. Principles of nutrition, food preparation and storage, and menu planning;

7 2. CONTRACTOR shall ensure that within thirty (30) days of hire and on an annual basis, all
8 program staff including administrator, volunteers and interns having direct contact with Clients shall
9 have:

- 10 a. Annual County Compliance Training;
- 11 b. A minimum of one (1) hour training in cultural competence annually;

12 3. In addition to the above, CONTRACTOR shall ensure that staff complete training as
13 follows:

14 a. Professional staff (Licensed Professionals of the Healing Arts), including Medical
15 Directors, shall receive a minimum of five (5) hours of continuing education related to addiction
16 medicine annually.

17 b. All providers, including volunteers and interns, providing DMC-ODS services are
18 required to be trained and complete at least once prior to providing services, the following two (2)
19 training modules:

20 i. American Society of Addiction Medicine (ASAM) Multidimensional Assessment
21 (sometimes referred to as ASAM-A or ASAM I).

22 ii. Assessment to Service Planning and Level of Care (sometimes referred to as ASAM-
23 B or ASAM II).

24 iii. This requirement applies to all physicians and Medical Directors regardless of their
25 role in the program and may only be waived for physicians/Medical Directors who are Board Certified
26 with an Addiction sub-specialty.

27 c. All providers and administrators must receive training on DMC-ODS requirements at
28 least annually. These requirements will be contained in the County-developed Annual Provider
29 Training.

30 d. DMC-ODS/SUD documentation training within 90 days of hire is mandatory for all
31 clinical staff, all on-site Quality Management staff, and all supervisors; however, compliant
32 documentation is required from the onset of services;

33 e. Annual training in the two minimum evidence-based practices (EBP) utilized at the
34 program.

35 f. Motivational Interviewing must be taken at least once and will count as one EBP for
36 the year; Contractor may choose other EBP courses after;

- 37 f Naloxone Administration Training; and

1 g. CPR / first aid Training.

2 N. PERSONNEL FILES – CONTRACTOR shall maintain personnel files and ensure continued
3 compliance with required credentials and trainings for each staff persons, including management and
4 other administrative positions, subcontractors, and volunteers/interns, both direct and indirect to the
5 Agreement, which shall include, but not be limited to:

- 6 1. Application for employment and/or resume;
- 7 2. Signed employment confirmation statement/duty statement;
- 8 3. Job description;
- 9 4. Salary schedule and salary adjustment information;
- 10 5. Performance evaluations;
- 11 6. Health records/status as required by the provider, AOD Certification or Title 9;
- 12 7. Other personnel actions (e.g. commendations, discipline, status change, employment
13 incidents and/or injuries);
- 14 8. Training documentation relevant to substance use disorders and treatment;
- 15 9. Current registration, certification, intern status, or licensure;
- 16 10. Proof of continuing education required by licensing or certifying agency and program; and
- 17 11. CONTRACTOR’s Code of Conduct and for registered, certified, and licensed staff, a copy
18 of the certifying/licensing body’s code of conduct as well.

19 12. All personnel files shall be complete and made readily accessible to ADMINISTRATOR
20 for purposes of audits and investigations or any other reason deemed necessary by ADMINISTRATOR.

21 O. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the
22 Staffing Paragraph of this Exhibit A to the Agreement.

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1 EXHIBIT B
 2 TO AGREEMENT FOR PROVISION OF
 3 ADULT RESIDENTIAL DRUG MEDI-CAL
 4 SUBSTANCE USE DISORDER TREATMENT SERVICES
 5 BETWEEN
 6 COUNTY OF ORANGE
 7 AND
 8 SOBER SOLUTIONS
 9 JULY 1, 2019 THROUGH JUNE 30, 2024

10
11 **I. BUSINESS ASSOCIATE CONTRACT**

12 A. GENERAL PROVISIONS AND RECITALS

13 1. The parties agree that the terms used, but not otherwise defined in the Common Terms and
14 Definitions Paragraph of Exhibit B to the Agreement or in Subparagraph B below, shall have the same
15 meaning given to such terms under HIPAA, the HITECH Act, and their implementing regulations at 45
16 CFR Parts 160 and 164 (the HIPAA regulations) as they may exist now or be hereafter amended.

17 2. The parties agree that a business associate relationship under HIPAA, the HITECH Act,
18 and the HIPAA regulations between the CONTRACTOR and COUNTY arises to the extent that
19 CONTRACTOR performs, or delegates to subcontractors to perform, functions or activities on behalf of
20 COUNTY pursuant to, and as set forth in, the Agreement that are described in the definition of
21 “Business Associate” in 45 CFR § 160.103.

22 3. The COUNTY wishes to disclose to CONTRACTOR certain information pursuant to the
23 terms of the Agreement, some of which may constitute PHI, as defined below in Subparagraph B.10, to
24 be used or disclosed in the course of providing services and activities pursuant to, and as set forth, in the
25 Agreement.

26 4. The parties intend to protect the privacy and provide for the security of PHI that may be
27 created, received, maintained, transmitted, used, or disclosed pursuant to the Agreement in compliance
28 with the applicable standards, implementation specifications, and requirements of HIPAA, the HITECH
29 Act, and the HIPAA regulations as they may exist now or be hereafter amended.

30 5. The parties understand and acknowledge that HIPAA, the HITECH Act, and the HIPAA
31 regulations do not pre-empt any state statutes, rules, or regulations that are not otherwise pre-empted by
32 other Federal law(s) and impose more stringent requirements with respect to privacy of PHI.

33 6. The parties understand that the HIPAA Privacy and Security rules, as defined below in
34 Subparagraphs B.9 and B.14, apply to the CONTRACTOR in the same manner as they apply to the
35 covered entity (COUNTY). CONTRACTOR agrees therefore to be in compliance at all times with the
36 terms of this Business Associate Contract as it exists now or be hereafter updated with notice to
37 CONTRACTOR, and the applicable standards, implementation specifications, and requirements of the

1 Privacy and the Security rules, as they may exist now or be hereafter amended, with respect to PHI and
2 electronic PHI created, received, maintained, transmitted, used, or disclosed pursuant to the Agreement.

3 B. DEFINITIONS

4 1. "Administrative Safeguards" are administrative actions, and policies and procedures, to
5 manage the selection, development, implementation, and maintenance of security measures to protect
6 electronic PHI and to manage the conduct of CONTRACTOR's workforce in relation to the protection
7 of that information.

8 2. "Breach" means the acquisition, access, use, or disclosure of PHI in a manner not permitted
9 under the HIPAA Privacy Rule which compromises the security or privacy of the PHI.

10 a. Breach excludes:

11 1) Any unintentional acquisition, access, or use of PHI by a workforce member or
12 person acting under the authority of CONTRACTOR or COUNTY, if such acquisition, access, or use
13 was made in good faith and within the scope of authority and does not result in further use or disclosure
14 in a manner not permitted under the Privacy Rule.

15 2) Any inadvertent disclosure by a person who is authorized to access PHI at
16 CONTRACTOR to another person authorized to access PHI at the CONTRACTOR, or organized health
17 care arrangement in which COUNTY participates, and the information received as a result of such
18 disclosure is not further used or disclosed in a manner not permitted under the HIPAA Privacy Rule.

19 3) A disclosure of PHI where CONTRACTOR or COUNTY has a good faith belief
20 that an unauthorized person to whom the disclosure was made would not reasonably have been able to
21 retain such information.

22 b. Except as provided in paragraph (a) of this definition, an acquisition, access, use, or
23 disclosure of PHI in a manner not permitted under the HIPAA Privacy Rule is presumed to be a breach
24 unless CONTRACTOR demonstrates that there is a low probability that the PHI has been compromised
25 based on a risk assessment of at least the following Factors:

26 1) The nature and extent of the PHI involved, including the types of identifiers and the
27 likelihood of re-identification;

28 2) The unauthorized person who used the PHI or to whom the disclosure was made;

29 3) Whether the PHI was actually acquired or viewed; and

30 4) The extent to which the risk to the PHI has been mitigated.

31 3. "Data Aggregation" shall have the meaning given to such term under the HIPAA Privacy
32 Rule in 45 CFR § 164.501.

33 4. "DRS" shall have the meaning given to such term under the HIPAA Privacy Rule in 45
34 CFR § 164.501.

35 5. "Disclosure" shall have the meaning given to such term under the HIPAA regulations in 45
36 CFR § 160.103.

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1 6. "Health Care Operations" shall have the meaning given to such term under the HIPAA
2 Privacy Rule in 45 CFR § 164.501.

3 7. "Individual" shall have the meaning given to such term under the HIPAA Privacy Rule in
4 45 CFR § 160.103 and shall include a person who qualifies as a personal representative in accordance
5 with 45 CFR § 164.502(g).

6 8. "Physical Safeguards" are physical measures, policies, and procedures to protect
7 CONTRACTOR's electronic information systems and related buildings and equipment, from natural
8 and environmental hazards, and unauthorized intrusion.

9 9. "The HIPAA Privacy Rule" shall mean the Standards for Privacy of Individually
10 Identifiable Health Information at 45 CFR Part 160 and Part 164, Subparts A and E.

11 10. "PHI" shall have the meaning given to such term under the HIPAA regulations in 45 CFR §
12 160.103.

13 11. "Required by Law" shall have the meaning given to such term under the HIPAA Privacy
14 Rule in 45 CFR § 164.103.

15 12. "Secretary" shall mean the Secretary of the Department of Health and Human Services or
16 his or her designee.

17 13. "Security Incident" means attempted or successful unauthorized access, use, disclosure,
18 modification, or destruction of information or interference with system operations in an information
19 system. "Security incident" does not include trivial incidents that occur on a daily basis, such as scans,
20 "pings", or unsuccessful attempts to penetrate computer networks or servers maintained by
21 CONTRACTOR.

22 14. "The HIPAA Security Rule" shall mean the Security Standards for the Protection of ePHI at
23 45 CFR Part 160, Part 162, and Part 164, Subparts A and C.

24 15. "Subcontractor" shall have the meaning given to such term under the HIPAA regulations in
25 45 CFR § 160.103.

26 16. "Technical safeguards" means the technology and the policy and procedures for its use that
27 protect ePHI and control access to it.

28 17. "Unsecured PHI" or "PHI that is unsecured" means PHI that is not rendered unusable,
29 unreadable, or indecipherable to unauthorized individuals through the use of a technology or
30 methodology specified by the Secretary of HHS in the guidance issued on the HHS Web site.

31 18. "Use" shall have the meaning given to such term under the HIPAA regulations in 45 CFR §
32 160.103.

33 C. OBLIGATIONS AND ACTIVITIES OF CONTRACTOR AS BUSINESS ASSOCIATE:

34 1. CONTRACTOR agrees not to use or further disclose PHI COUNTY discloses to
35 CONTRACTOR other than as permitted or required by this Business Associate Contract or as required
36 by law.

37 //

1 2. CONTRACTOR agrees to use appropriate safeguards, as provided for in this Business
2 Associate Contract and the Agreement, to prevent use or disclosure of PHI COUNTY discloses to
3 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY
4 other than as provided for by this Business Associate Contract.

5 3. CONTRACTOR agrees to comply with the HIPAA Security Rule at Subpart C of 45 CFR
6 Part 164 with respect to electronic PHI COUNTY discloses to CONTRACTOR or CONTRACTOR
7 creates, receives, maintains, or transmits on behalf of COUNTY.

8 4. CONTRACTOR agrees to mitigate, to the extent practicable, any harmful effect that is
9 known to CONTRACTOR of a Use or Disclosure of PHI by CONTRACTOR in violation of the
10 requirements of this Business Associate Contract.

11 5. CONTRACTOR agrees to report to COUNTY immediately any Use or Disclosure of PHI
12 not provided for by this Business Associate Contract of which CONTRACTOR becomes aware.
13 CONTRACTOR must report Breaches of Unsecured PHI in accordance with Subparagraph E below and
14 as required by 45 CFR § 164.410.

15 6. CONTRACTOR agrees to ensure that any Subcontractors that create, receive, maintain, or
16 transmit PHI on behalf of CONTRACTOR agree to the same restrictions and conditions that apply
17 through this Business Associate Contract to CONTRACTOR with respect to such information.

18 7. CONTRACTOR agrees to provide access, within fifteen (15) calendar days of receipt of a
19 written request by COUNTY, to PHI in a DRS, to COUNTY or, as directed by COUNTY, to an
20 Individual in order to meet the requirements under 45 CFR § 164.524. If CONTRACTOR maintains an
21 EHR with PHI, and an individual requests a copy of such information in an electronic format,
22 CONTRACTOR shall provide such information in an electronic format.

23 8. CONTRACTOR agrees to make any amendment(s) to PHI in a DRS that COUNTY directs
24 or agrees to pursuant to 45 CFR § 164.526 at the request of COUNTY or an Individual, within thirty
25 (30) calendar days of receipt of said request by COUNTY. CONTRACTOR agrees to notify COUNTY
26 in writing no later than ten (10) calendar days after said amendment is completed.

27 9. CONTRACTOR agrees to make internal practices, books, and records, including P&Ps,
28 relating to the use and disclosure of PHI received from, or created or received by CONTRACTOR on
29 behalf of, COUNTY available to COUNTY and the Secretary in a time and manner as determined by
30 COUNTY or as designated by the Secretary for purposes of the Secretary determining COUNTY's
31 compliance with the HIPAA Privacy Rule.

32 10. CONTRACTOR agrees to document any Disclosures of PHI COUNTY discloses to
33 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY,
34 and to make information related to such Disclosures available as would be required for COUNTY to
35 respond to a request by an Individual for an accounting of Disclosures of PHI in accordance with 45
36 CFR § 164.528.

37 //

1 11. CONTRACTOR agrees to provide COUNTY or an Individual, as directed by COUNTY, in
2 a time and manner to be determined by COUNTY, that information collected in accordance with the
3 Agreement, in order to permit COUNTY to respond to a request by an Individual for an accounting of
4 Disclosures of PHI in accordance with 45 CFR § 164.528.

5 12. CONTRACTOR agrees that to the extent CONTRACTOR carries out COUNTY's
6 obligation under the HIPAA Privacy and/or Security rules CONTRACTOR will comply with the
7 requirements of 45 CFR Part 164 that apply to COUNTY in the performance of such obligation.

8 13. If CONTRACTOR receives Social Security data from COUNTY provided to COUNTY by
9 a state agency, upon request by COUNTY, CONTRACTOR shall provide COUNTY with a list of all
10 employees, subcontractors, and agents who have access to the Social Security data, including
11 employees, agents, subcontractors, and agents of its subcontractors.

12 14. CONTRACTOR will notify COUNTY if CONTRACTOR is named as a defendant in a
13 criminal proceeding for a violation of HIPAA. COUNTY may terminate the Agreement, if
14 CONTRACTOR is found guilty of a criminal violation in connection with HIPAA. COUNTY may
15 terminate the Agreement, if a finding or stipulation that CONTRACTOR has violated any standard or
16 requirement of the privacy or security provisions of HIPAA, or other security or privacy laws are made
17 in any administrative or civil proceeding in which CONTRACTOR is a party or has been joined.
18 COUNTY will consider the nature and seriousness of the violation in deciding whether or not to
19 terminate the Agreement.

20 15. CONTRACTOR shall make itself and any subcontractors, employees or agents assisting
21 CONTRACTOR in the performance of its obligations under the Agreement, available to COUNTY at
22 no cost to COUNTY to testify as witnesses, or otherwise, in the event of litigation or administrative
23 proceedings being commenced against COUNTY, its directors, officers or employees based upon
24 claimed violation of HIPAA, the HIPAA regulations or other laws relating to security and privacy,
25 which involves inactions or actions by CONTRACTOR, except where CONTRACTOR or its
26 subcontractor, employee, or agent is a named adverse party.

27 16. The Parties acknowledge that federal and state laws relating to electronic data security and
28 privacy are rapidly evolving and that amendment of this Business Associate Contract may be required to
29 provide for procedures to ensure compliance with such developments. The Parties specifically agree to
30 take such action as is necessary to implement the standards and requirements of HIPAA, the HITECH
31 Act, the HIPAA regulations and other applicable laws relating to the security or privacy of PHI. Upon
32 COUNTY's request, CONTRACTOR agrees to promptly enter into negotiations with COUNTY
33 concerning an amendment to this Business Associate Contract embodying written assurances consistent
34 with the standards and requirements of HIPAA, the HITECH Act, the HIPAA regulations or other
35 applicable laws. COUNTY may terminate the Agreement upon thirty (30) days written notice in the
36 event:

37 //

1 a. CONTRACTOR does not promptly enter into negotiations to amend this Business
2 Associate Contract when requested by COUNTY pursuant to this Subparagraph F; or

3 b. CONTRACTOR does not enter into an amendment providing assurances regarding the
4 safeguarding of PHI that COUNTY deems are necessary to satisfy the standards and requirements of
5 HIPAA, the HITECH Act, and the HIPAA regulations.

6 17. CONTRACTOR shall work with COUNTY upon notification by CONTRACTOR to
7 COUNTY of a Breach to properly determine if any Breach exclusions exist as defined in Subparagraph
8 B.2.a above.

9 D. SECURITY RULE

10 1. CONTRACTOR shall comply with the requirements of 45 CFR § 164.306 and establish
11 and maintain appropriate Administrative, Physical and Technical Safeguards in accordance with 45 CFR
12 § 164.308, § 164.310, and § 164.312, with respect to electronic PHI COUNTY discloses to
13 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY.
14 CONTRACTOR shall develop and maintain a written information privacy and security program that
15 includes Administrative, Physical, and Technical Safeguards appropriate to the size and complexity of
16 CONTRACTOR's operations and the nature and scope of its activities.

17 2. CONTRACTOR shall implement reasonable and appropriate policies and procedures to
18 comply with the standards, implementation specifications and other requirements of 45 CFR Part 164,
19 Subpart C, in compliance with 45 CFR § 164.316. CONTRACTOR will provide COUNTY with its
20 current and updated policies upon request.

21 3. CONTRACTOR shall ensure the continuous security of all computerized data systems
22 containing electronic PHI COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives,
23 maintains, or transmits on behalf of COUNTY. CONTRACTOR shall protect paper documents
24 containing PHI COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives,
25 maintains, or transmits on behalf of COUNTY. These steps shall include, at a minimum:

26 a. Complying with all of the data system security precautions listed under Subparagraphs
27 E, below;

28 b. Achieving and maintaining compliance with the HIPAA Security Rule, as necessary in
29 conducting operations on behalf of COUNTY;

30 c. Providing a level and scope of security that is at least comparable to the level and scope
31 of security established by the OMB in OMB Circular No. A-130, Appendix III – Security of Federal
32 Automated Information Systems, which sets forth guidelines for automated information systems in
33 Federal agencies;

34 4. CONTRACTOR shall ensure that any subcontractors that create, receive, maintain, or
35 transmit ePHI on behalf of CONTRACTOR agree through a contract with CONTRACTOR to the same
36 restrictions and requirements contained in this Subparagraph D of this Business Associate Contract.

37 //

1 5. CONTRACTOR shall report to COUNTY immediately any Security Incident of which it
2 becomes aware. CONTRACTOR shall report Breaches of Unsecured PHI in accordance with
3 Subparagraph E below and as required by 45 CFR § 164.410.

4 6. CONTRACTOR shall designate a Security Officer to oversee its data security program who
5 shall be responsible for carrying out the requirements of this paragraph and for communicating on
6 security matters with COUNTY.

7 E. DATA SECURITY REQUIREMENTS

8 1. Personal Controls

9 a. Employee Training. All workforce members who assist in the performance of
10 functions or activities on behalf of COUNTY in connection with Agreement, or access or disclose PHI
11 COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on
12 behalf of COUNTY, must complete information privacy and security training, at least annually, at
13 CONTRACTOR's expense. Each workforce member who receives information privacy and security
14 training must sign a certification, indicating the member's name and the date on which the training was
15 completed. These certifications must be retained for a period of six (6) years following the termination
16 of Agreement.

17 b. Employee Discipline. Appropriate sanctions must be applied against workforce
18 members who fail to comply with any provisions of CONTRACTOR's privacy P&Ps, including
19 termination of employment where appropriate.

20 c. Confidentiality Statement. All persons that will be working with PHI COUNTY
21 discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of
22 COUNTY must sign a confidentiality statement that includes, at a minimum, General Use, Security and
23 Privacy Safeguards, Unacceptable Use, and Enforcement Policies. The statement must be signed by the
24 workforce member prior to access to such PHI. The statement must be renewed annually. The
25 CONTRACTOR shall retain each person's written confidentiality statement for COUNTY inspection
26 for a period of six (6) years following the termination of the Agreement.

27 d. Background Check. Before a member of the workforce may access PHI COUNTY
28 discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of
29 COUNTY, a background screening of that worker must be conducted. The screening should be
30 commensurate with the risk and magnitude of harm the employee could cause, with more thorough
31 screening being done for those employees who are authorized to bypass significant technical and
32 operational security controls. The CONTRACTOR shall retain each workforce member's background
33 check documentation for a period of three (3) years.

34 2. Technical Security Controls

35 a. Workstation/Laptop encryption. All workstations and laptops that store PHI COUNTY
36 discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of
37 COUNTY either directly or temporarily must be encrypted using a FIPS 140-2 certified algorithm

1 | which is 128bit or higher, such as AES. The encryption solution must be full disk unless approved by
2 | the COUNTY.

3 | b. Server Security. Servers containing unencrypted PHI COUNTY discloses to
4 | CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY
5 | must have sufficient administrative, physical, and technical controls in place to protect that data, based
6 | upon a risk assessment/system security review.

7 | c. Minimum Necessary. Only the minimum necessary amount of PHI COUNTY discloses
8 | to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY
9 | required to perform necessary business functions may be copied, downloaded, or exported.

10 | d. Removable media devices. All electronic files that contain PHI COUNTY discloses to
11 | CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY
12 | must be encrypted when stored on any removable media or portable device (i.e. USB thumb drives,
13 | floppies, CD/DVD, Blackberry, backup tapes etc.). Encryption must be a FIPS 140–2 certified
14 | algorithm which is 128bit or higher, such as AES. Such PHI shall not be considered “removed from the
15 | premises” if it is only being transported from one of CONTRACTOR’s locations to another of
16 | CONTRACTOR’s locations.

17 | e. Antivirus software. All workstations, laptops and other systems that process and/or
18 | store PHI COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or
19 | transmits on behalf of COUNTY must have installed and actively use comprehensive anti–virus
20 | software solution with automatic updates scheduled at least daily.

21 | f. Patch Management. All workstations, laptops and other systems that process and/or
22 | store PHI COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or
23 | transmits on behalf of COUNTY must have critical security patches applied, with system reboot if
24 | necessary. There must be a documented patch management process which determines installation
25 | timeframe based on risk assessment and vendor recommendations. At a maximum, all applicable
26 | patches must be installed within thirty (30) days of vendor release. Applications and systems that
27 | cannot be patched due to operational reasons must have compensatory controls implemented to
28 | minimize risk, where possible.

29 | g. User IDs and Password Controls. All users must be issued a unique user name for
30 | accessing PHI COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains,
31 | or transmits on behalf of COUNTY. Username must be promptly disabled, deleted, or the password
32 | changed upon the transfer or termination of an employee with knowledge of the password, at maximum
33 | within twenty–four (24) hours. Passwords are not to be shared. Passwords must be at least eight
34 | characters and must be a non–dictionary word. Passwords must not be stored in readable format on the
35 | computer. Passwords must be changed every ninety (90) days, preferably every sixty (60) days.
36 | Passwords must be changed if revealed or compromised. Passwords must be composed of characters
37 | from at least three (3) of the following four (4) groups from the standard keyboard:

- 1) Upper case letters (A–Z)
- 2) Lower case letters (a–z)
- 3) Arabic numerals (0–9)
- 4) Non–alphanumeric characters (punctuation symbols)

5 h. Data Destruction. When no longer needed, all PHI COUNTY discloses to
6 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY
7 must be wiped using the Gutmann or US DoD 5220.22–M (7 Pass) standard, or by degaussing. Media
8 may also be physically destroyed in accordance with NIST Special Publication 800–88. Other methods
9 require prior written permission by COUNTY.

10 i. System Timeout. The system providing access to PHI COUNTY discloses to
11 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY
12 must provide an automatic timeout, requiring re–authentication of the user session after no more than
13 twenty (20) minutes of inactivity.

14 j. Warning Banners. All systems providing access to PHI COUNTY discloses to
15 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY
16 must display a warning banner stating that data is confidential, systems are logged, and system use is for
17 business purposes only by authorized users. User must be directed to log off the system if they do not
18 agree with these requirements.

19 k. System Logging. The system must maintain an automated audit trail which can
20 identify the user or system process which initiates a request for PHI COUNTY discloses to
21 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY,
22 or which alters such PHI. The audit trail must be date and time stamped, must log both successful and
23 failed accesses, must be read only, and must be restricted to authorized users. If such PHI is stored in a
24 database, database logging functionality must be enabled. Audit trail data must be archived for at least
25 three (3) years after occurrence.

26 l. Access Controls. The system providing access to PHI COUNTY discloses to
27 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY
28 must use role based access controls for all user authentications, enforcing the principle of least privilege.

29 m. Transmission encryption. All data transmissions of PHI COUNTY discloses to
30 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY
31 outside the secure internal network must be encrypted using a FIPS 140–2 certified algorithm which is
32 128bit or higher, such as AES. Encryption can be end to end at the network level, or the data files
33 containing PHI can be encrypted. This requirement pertains to any type of PHI in motion such as
34 website access, file transfer, and E–Mail.

35 n. Intrusion Detection. All systems involved in accessing, holding, transporting, and
36 protecting PHI COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains,

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1 or transmits on behalf of COUNTY that are accessible via the Internet must be protected by a
2 comprehensive intrusion detection and prevention solution.

3 3. Audit Controls

4 a. System Security Review. CONTRACTOR must ensure audit control mechanisms that
5 record and examine system activity are in place. All systems processing and/or storing PHI COUNTY
6 discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of
7 COUNTY must have at least an annual system risk assessment/security review which provides
8 assurance that administrative, physical, and technical controls are functioning effectively and providing
9 adequate levels of protection. Reviews should include vulnerability scanning tools.

10 b. Log Reviews. All systems processing and/or storing PHI COUNTY discloses to
11 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY
12 must have a routine procedure in place to review system logs for unauthorized access.

13 c. Change Control. All systems processing and/or storing PHI COUNTY discloses to
14 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY
15 must have a documented change control procedure that ensures separation of duties and protects the
16 confidentiality, integrity and availability of data.

17 4. Business Continuity/Disaster Recovery Control

18 a. Emergency Mode Operation Plan. CONTRACTOR must establish a documented plan
19 to enable continuation of critical business processes and protection of the security of PHI COUNTY
20 discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of
21 COUNTY kept in an electronic format in the event of an emergency. Emergency means any
22 circumstance or situation that causes normal computer operations to become unavailable for use in
23 performing the work required under this Agreement for more than twenty-four (24) hours.

24 b. Data Backup Plan. CONTRACTOR must have established documented procedures to
25 backup such PHI to maintain retrievable exact copies of the PHI. The plan must include a regular
26 schedule for making backups, storing backup offsite, an inventory of backup media, and an estimate of
27 the amount of time needed to restore DHCS PHI or PI should it be lost. At a minimum, the schedule
28 must be a weekly full backup and monthly offsite storage of DHCS data. BCP for contractor and
29 COUNTY (e.g. the application owner) must merge with the DRP.

30 5. Paper Document Controls

31 a. Supervision of Data. PHI COUNTY discloses to CONTRACTOR or CONTRACTOR
32 creates, receives, maintains, or transmits on behalf of COUNTY in paper form shall not be left
33 unattended at any time, unless it is locked in a file cabinet, file room, desk or office. Unattended means
34 that information is not being observed by an employee authorized to access the information. Such PHI
35 in paper form shall not be left unattended at any time in vehicles or planes and shall not be checked in
36 baggage on commercial airplanes.

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1 b. Escorting Visitors. Visitors to areas where PHI COUNTY discloses to
2 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY is
3 contained shall be escorted and such PHI shall be kept out of sight while visitors are in the area.

4 c. Confidential Destruction. PHI COUNTY discloses to CONTRACTOR or
5 CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY must be disposed of
6 through confidential means, such as cross cut shredding and pulverizing.

7 d. Removal of Data. PHI COUNTY discloses to CONTRACTOR or CONTRACTOR
8 creates, receives, maintains, or transmits on behalf of COUNTY must not be removed from the premises
9 of the CONTRACTOR except with express written permission of COUNTY.

10 e. Faxing. Faxes containing PHI COUNTY discloses to CONTRACTOR or
11 CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY shall not be left
12 unattended and fax machines shall be in secure areas. Faxes shall contain a confidentiality statement
13 notifying persons receiving faxes in error to destroy them. Fax numbers shall be verified with the
14 intended recipient before sending the fax.

15 f. Mailing. Mailings containing PHI COUNTY discloses to CONTRACTOR or
16 CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY shall be sealed and
17 secured from damage or inappropriate viewing of PHI to the extent possible. Mailings which include
18 five hundred (500) or more individually identifiable records containing PHI COUNTY discloses to
19 CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY in
20 a single package shall be sent using a tracked mailing method which includes verification of delivery
21 and receipt, unless the prior written permission of COUNTY to use another method is obtained.

22 F. BREACH DISCOVERY AND NOTIFICATION

23 1. Following the discovery of a Breach of Unsecured PHI, CONTRACTOR shall notify
24 COUNTY of such Breach, however both parties agree to a delay in the notification if so advised by a
25 law enforcement official pursuant to 45 CFR § 164.412.

26 a. A Breach shall be treated as discovered by CONTRACTOR as of the first day on which
27 such Breach is known to CONTRACTOR or, by exercising reasonable diligence, would have been
28 known to CONTRACTOR.

29 b. CONTRACTOR shall be deemed to have knowledge of a Breach, if the Breach is
30 known, or by exercising reasonable diligence would have known, to any person who is an employee,
31 officer, or other agent of CONTRACTOR, as determined by federal common law of agency.

32 2. CONTRACTOR shall provide the notification of the Breach immediately to the COUNTY
33 Privacy Officer. CONTRACTOR's notification may be oral, but shall be followed by written
34 notification within twenty-four (24) hours of the oral notification.

35 3. CONTRACTOR's notification shall include, to the extent possible:

36 a. The identification of each Individual whose Unsecured PHI has been, or is reasonably
37 believed by CONTRACTOR to have been, accessed, acquired, used, or disclosed during the Breach;

1 b. Any other information that COUNTY is required to include in the notification to
2 Individual under 45 CFR §164.404 (c) at the time CONTRACTOR is required to notify COUNTY or
3 promptly thereafter as this information becomes available, even after the regulatory sixty (60) day
4 period set forth in 45 CFR § 164.410 (b) has elapsed, including:

5 1) A brief description of what happened, including the date of the Breach and the date
6 of the discovery of the Breach, if known;

7 2) A description of the types of Unsecured PHI that were involved in the Breach (such
8 as whether full name, social security number, date of birth, home address, account number, diagnosis,
9 disability code, or other types of information were involved);

10 3) Any steps Individuals should take to protect themselves from potential harm
11 resulting from the Breach;

12 4) A brief description of what CONTRACTOR is doing to investigate the Breach, to
13 mitigate harm to Individuals, and to protect against any future Breaches; and

14 5) Contact procedures for Individuals to ask questions or learn additional information,
15 which shall include a toll-free telephone number, an e-mail address, Web site, or postal address.

16 4. COUNTY may require CONTRACTOR to provide notice to the Individual as required in
17 45 CFR § 164.404, if it is reasonable to do so under the circumstances, at the sole discretion of the
18 COUNTY.

19 5. In the event that CONTRACTOR is responsible for a Breach of Unsecured PHI in violation
20 of the HIPAA Privacy Rule, CONTRACTOR shall have the burden of demonstrating that
21 CONTRACTOR made all notifications to COUNTY consistent with this Subparagraph F and as
22 required by the Breach notification regulations, or, in the alternative, that the acquisition, access, use, or
23 disclosure of PHI did not constitute a Breach.

24 6. CONTRACTOR shall maintain documentation of all required notifications of a Breach or
25 its risk assessment under 45 CFR § 164.402 to demonstrate that a Breach did not occur.

26 7. CONTRACTOR shall provide to COUNTY all specific and pertinent information about the
27 Breach, including the information listed in Section E.3.b.(1)–(5) above, if not yet provided, to permit
28 COUNTY to meet its notification obligations under Subpart D of 45 CFR Part 164 as soon as
29 practicable, but in no event later than fifteen (15) calendar days after CONTRACTOR's initial report of
30 the Breach to COUNTY pursuant to Subparagraph F.2 above.

31 8. CONTRACTOR shall continue to provide all additional pertinent information about the
32 Breach to COUNTY as it may become available, in reporting increments of five (5) business days after
33 the last report to COUNTY. CONTRACTOR shall also respond in good faith to any reasonable
34 requests for further information, or follow-up information after report to COUNTY, when such request
35 is made by COUNTY.

36 9. If the Breach is the fault of CONTRACTOR, CONTRACTOR shall bear all expense or
37 other costs associated with the Breach and shall reimburse COUNTY for all expenses COUNTY incurs

1 in addressing the Breach and consequences thereof, including costs of investigation, notification,
2 remediation, documentation or other costs associated with addressing the Breach.

3 G. PERMITTED USES AND DISCLOSURES BY CONTRACTOR

4 1. CONTRACTOR may use or further disclose PHI COUNTY discloses to CONTRACTOR
5 as necessary to perform functions, activities, or services for, or on behalf of, COUNTY as specified in
6 the Agreement, provided that such use or Disclosure would not violate the HIPAA Privacy Rule if done
7 by COUNTY except for the specific Uses and Disclosures set forth below.

8 a. CONTRACTOR may use PHI COUNTY discloses to CONTRACTOR, if necessary,
9 for the proper management and administration of CONTRACTOR.

10 b. CONTRACTOR may disclose PHI COUNTY discloses to CONTRACTOR for the
11 proper management and administration of CONTRACTOR or to carry out the legal responsibilities of
12 CONTRACTOR, if:

13 1) The Disclosure is required by law; or

14 2) CONTRACTOR obtains reasonable assurances from the person to whom the PHI
15 is disclosed that it will be held confidentially and used or further disclosed only as required by law or for
16 the purposes for which it was disclosed to the person and the person immediately notifies
17 CONTRACTOR of any instance of which it is aware in which the confidentiality of the information has
18 been breached.

19 c. CONTRACTOR may use or further disclose PHI COUNTY discloses to
20 CONTRACTOR to provide Data Aggregation services relating to the Health Care Operations of
21 CONTRACTOR.

22 2. CONTRACTOR may use PHI COUNTY discloses to CONTRACTOR, if necessary, to
23 carry out legal responsibilities of CONTRACTOR.

24 3. CONTRACTOR may use and disclose PHI COUNTY discloses to CONTRACTOR
25 consistent with the minimum necessary policies and procedures of COUNTY.

26 4. CONTRACTOR may use or disclose PHI COUNTY discloses to CONTRACTOR as
27 required by law.

28 H. PROHIBITED USES AND DISCLOSURES

29 1. CONTRACTOR shall not disclose PHI COUNTY discloses to CONTRACTOR or
30 CONTRACTOR creates, receives, maintains, or transmits on behalf of COUNTY about an individual to
31 a health plan for payment or health care operations purposes if the PHI pertains solely to a health care
32 item or service for which the health care provider involved has been paid out of pocket in full and the
33 individual requests such restriction, in accordance with 42 USC § 17935(a) and 45 CFR § 164.522(a).

34 2. CONTRACTOR shall not directly or indirectly receive remuneration in exchange for PHI
35 COUNTY discloses to CONTRACTOR or CONTRACTOR creates, receives, maintains, or transmits on
36 behalf of COUNTY, except with the prior written consent of COUNTY and as permitted by
37 42 USC § 17935(d)(2).

I. OBLIGATIONS OF COUNTY

1. COUNTY shall notify CONTRACTOR of any limitation(s) in COUNTY’s notice of privacy practices in accordance with 45 CFR § 164.520, to the extent that such limitation may affect CONTRACTOR’s Use or Disclosure of PHI.

2. COUNTY shall notify CONTRACTOR of any changes in, or revocation of, the permission by an Individual to use or disclose his or her PHI, to the extent that such changes may affect CONTRACTOR’s Use or Disclosure of PHI.

3. COUNTY shall notify CONTRACTOR of any restriction to the Use or Disclosure of PHI that COUNTY has agreed to in accordance with 45 CFR § 164.522, to the extent that such restriction may affect CONTRACTOR’s Use or Disclosure of PHI.

4. COUNTY shall not request CONTRACTOR to use or disclose PHI in any manner that would not be permissible under the HIPAA Privacy Rule if done by COUNTY.

J. BUSINESS ASSOCIATE TERMINATION

1. Upon COUNTY’s knowledge of a material Breach or violation by CONTRACTOR of the requirements of this Business Associate Contract, COUNTY shall:

a. Provide an opportunity for CONTRACTOR to cure the material Breach or end the violation within thirty (30) business days; or

b. Immediately terminate the Agreement, if CONTRACTOR is unwilling or unable to cure the material Breach or end the violation within thirty (30) days, provided termination of the Agreement is feasible.

2. Upon termination of the Agreement, CONTRACTOR shall either destroy or return to COUNTY all PHI CONTRACTOR received from COUNTY or CONTRACTOR created, maintained, or received on behalf of COUNTY in conformity with the HIPAA Privacy Rule.

a. This provision shall apply to all PHI that is in the possession of Subcontractors or agents of CONTRACTOR.

b. CONTRACTOR shall retain no copies of the PHI.

c. In the event that CONTRACTOR determines that returning or destroying the PHI is not feasible, CONTRACTOR shall provide to COUNTY notification of the conditions that make return or destruction infeasible. Upon determination by COUNTY that return or destruction of PHI is infeasible, CONTRACTOR shall extend the protections of this Business Associate Contract to such PHI and limit further Uses and Disclosures of such PHI to those purposes that make the return or destruction infeasible, for as long as CONTRACTOR maintains such PHI.

3. The obligations of this Business Associate Contract shall survive the termination of the Agreement.

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EXHIBIT C
 TO AGREEMENT FOR PROVISION OF
 ADULT RESIDENTIAL DRUG MEDI-CAL
 SUBSTANCE USE DISORDER TREATMENT SERVICES
 BETWEEN
 COUNTY OF ORANGE
 AND
 SOBER SOLUTIONS
 JULY 1, 2019 THROUGH JUNE 30, 2024

I. PERSONAL INFORMATION PRIVACY AND SECURITY CONTRACT

Any reference to statutory, regulatory, or contractual language herein shall be to such language as in effect or as amended.

A. DEFINITIONS

1. "Breach" shall have the meaning given to such term under the IEA and CMPPA. It shall include a "PII loss" as that term is defined in the CMPPA.

2. "Breach of the security of the system" shall have the meaning given to such term under the CIPA, CCC § 1798.29(d).

3. "CMPPA Agreement" means the CMPPA Agreement between the SSA and CHHS.

4. "DHCS PI" shall mean Personal Information, as defined below, accessed in a database maintained by the COUNTY or DHCS, received by CONTRACTOR from the COUNTY or DHCS or acquired or created by CONTRACTOR in connection with performing the functions, activities and services specified in the Agreement on behalf of the COUNTY.

5. "IEA" shall mean the IEA currently in effect between the SSA and DHCS.

6. "Notice-triggering PI" shall mean the PI identified in CCC § 1798.29(e) whose unauthorized access may trigger notification requirements under CCC § 1709.29. For purposes of this provision, identity shall include, but not be limited to, name, identifying number, symbol, or other identifying particular assigned to the individual, such as a finger or voice print, a photograph or a biometric identifier. Notice-triggering PI includes PI in electronic, paper or any other medium.

7. "PII" shall have the meaning given to such term in the IEA and CMPPA.

8. "PI" shall have the meaning given to such term in CCC § 1798.3(a).

9. "Required by law" means a mandate contained in law that compels an entity to make a use or disclosure of PI or PII that is enforceable in a court of law. This includes, but is not limited to, court orders and court-ordered warrants, subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or an administrative body authorized to require the production of information, and a civil or an authorized investigative demand. It also includes Medicare conditions of participation with respect to health care providers participating in the program, and statutes or

1 regulations that require the production of information, including statutes or regulations that require such
2 information if payment is sought under a government program providing public benefits.

3 10. "Security Incident" means the attempted or successful unauthorized access, use, disclosure,
4 modification, or destruction of PI, or confidential data utilized in complying with this Agreement; or
5 interference with system operations in an information system that processes, maintains or stores PI.

6 B. TERMS OF AGREEMENT

7 1. Permitted Uses and Disclosures of DHCS PI and PII by CONTRACTOR. Except as
8 otherwise indicated in this Exhibit, CONTRACTOR may use or disclose DHCS PI only to perform
9 functions, activities, or services for or on behalf of the COUNTY pursuant to the terms of the
10 Agreement provided that such use or disclosure would not violate the CIPA if done by the COUNTY.

11 2. Responsibilities of CONTRACTOR

12 CONTRACTOR agrees:

13 a. Nondisclosure. Not to use or disclose DHCS PI or PII other than as permitted or
14 required by this Personal Information Privacy and Security Contract or as required by applicable state
15 and federal law.

16 b. Safeguards. To implement appropriate and reasonable administrative, technical, and
17 physical safeguards to protect the security, confidentiality and integrity of DHCS PI and PII, to protect
18 against anticipated threats or hazards to the security or integrity of DHCS PI and PII, and to prevent use
19 or disclosure of DHCS PI or PII other than as provided for by this Personal Information Privacy and
20 Security Contract. CONTRACTOR shall develop and maintain a written information privacy and
21 security program that include administrative, technical and physical safeguards appropriate to the size
22 and complexity of CONTRACTOR's operations and the nature and scope of its activities, which
23 incorporate the requirements of Subparagraph (c), below. CONTRACTOR will provide COUNTY with
24 its current policies upon request.

25 c. Security. CONTRACTOR shall ensure the continuous security of all computerized data
26 systems containing DHCS PI and PII. CONTRACTOR shall protect paper documents containing
27 DHCS PI and PII. These steps shall include, at a minimum:

28 1) Complying with all of the data system security precautions listed in Subparagraph
29 E of the Business Associate Contract, Exhibit E to the Agreement; and

30 2) Providing a level and scope of security that is at least comparable to the level and
31 scope of security established by the Office of Management and Budget in OMB Circular No. A-130,
32 Appendix III-Security of Federal Automated Information Systems, which sets forth guidelines for
33 automated information systems in Federal agencies.

34 3) If the data obtained by CONTRACTOR from COUNTY includes PII,
35 CONTRACTOR shall also comply with the substantive privacy and security requirements in the
36 CMPPA Agreement between the SSA and the CHHS and in the Agreement between the SSA and
37 DHCS, known as the IEA. The specific sections of the IEA with substantive privacy and security

1 requirements to be complied with are sections E, F, and G, and in Attachment 4 to the IEA, Electronic
 2 Information Exchange Security Requirements, Guidelines and Procedures for Federal, State and Local
 3 Agencies Exchanging Electronic Information with the SSA. CONTRACTOR also agrees to ensure that
 4 any of CONTRACTOR’s agents or subcontractors, to whom CONTRACTOR provides DHCS PII agree
 5 to the same requirements for privacy and security safeguards for confidential data that apply to
 6 CONTRACTOR with respect to such information.

7 d. Mitigation of Harmful Effects. To mitigate, to the extent practicable, any harmful effect
 8 that is known to CONTRACTOR of a use or disclosure of DHCS PI or PII by CONTRACTOR or its
 9 subcontractors in violation of this Personal Information Privacy and Security Contract.

10 e. CONTRACTOR's Agents and Subcontractors. To impose the same restrictions and
 11 conditions set forth in this Personal Information and Security Contract on any subcontractors or other
 12 agents with whom CONTRACTOR subcontracts any activities under the Agreement that involve the
 13 disclosure of DHCS PI or PII to such subcontractors or other agents.

14 f. Availability of Information. To make DHCS PI and PII available to the DHCS and/or
 15 COUNTY for purposes of oversight, inspection, amendment, and response to requests for records,
 16 injunctions, judgments, and orders for production of DHCS PI and PII. If CONTRACTOR receives
 17 DHCS PII, upon request by COUNTY and/or DHCS, CONTRACTOR shall provide COUNTY and/or
 18 DHCS with a list of all employees, contractors and agents who have access to DHCS PII, including
 19 employees, contractors and agents of its subcontractors and agents.

20 g. Cooperation with COUNTY. With respect to DHCS PI, to cooperate with and assist the
 21 COUNTY to the extent necessary to ensure the DHCS’s compliance with the applicable terms of the
 22 CIPA including, but not limited to, accounting of disclosures of DHCS PI, correction of errors in DHCS
 23 PI, production of DHCS PI, disclosure of a security Breach involving DHCS PI and notice of such
 24 Breach to the affected individual(s).

25 h. Breaches and Security Incidents. During the term of the Agreement, CONTRACTOR
 26 agrees to implement reasonable systems for the discovery of any Breach of unsecured DHCS PI and PII
 27 or security incident. CONTRACTOR agrees to give notification of any beach of unsecured DHCS PI
 28 and PII or security incident in accordance with Subparagraph F, of the Business Associate Contract,
 29 Exhibit E to the Agreement.

30 i. Designation of Individual Responsible for Security. CONTRACTOR shall designate an
 31 individual, (e.g., Security Officer), to oversee its data security program who shall be responsible for
 32 carrying out the requirements of this Personal Information Privacy and Security Contract and for
 33 communicating on security matters with the COUNTY.

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EXHIBIT D
 TO AGREEMENT FOR PROVISION OF
 ADULT RESIDENTIAL DRUG MEDICAL
 SUBSTANCE USE DISORDER TREATMENT SERVICES
 BETWEEN
 COUNTY OF ORANGE
 AND
 SOBER SOLUTIONS

Preface

The COUNTY as a political subdivision of the State of California, is mandated by state and federal law to provide certain services to all County residents. In addition, the COUNTY provides certain other non-mandated services to enhance the well-being and quality of life for its residents. The COUNTY is committed to ensuring positive relations through this Good Neighbor Policy in the neighborhoods and communities in which its Residential Program contractors provide services to its residents.

Following effective date of this Agreement, but no later than thirty (30) days after the start of services, CONTRACTOR shall conduct reasonable outreach to cities, neighborhoods and communities that could be affected by services provided by CONTRACTOR.

Good Neighbor Policy

This Policy applies only to the extent CONTRACTOR provides direct services to County clients pursuant to this Agreement. The intent of this Policy is to identify community impacts and measures to mitigate those impacts to be an integral part of the neighborhood and community the COUNTY serves.

CONTRACTOR shall establish a policy that includes all of the following elements:

- Ensure staff and clients conduct themselves in a manner that demonstrates respect for the community and consideration of neighbors when entering/exiting the facility or outdoors.
- Establish and maintain early communication with cities, neighborhoods and communities as a way to identify potential impacts to neighborhoods and mitigate as needed.
- Establish cooperative relationships with cities, neighborhoods and communities where services are being rendered and mitigate impact as needed.
- Collaborate with cities, neighborhoods and communities as a way to promote integration of facilities into the community and determine the effectiveness of established good neighbor practices.
- Develop written procedures to track, respond and mitigate neighborhood complaints. Procedures should include identification of a contact person for complaint resolution and identification of COUNTY contact if complaint is not adequately resolved. The procedures must also identify how

1 these incidents will be reported to the appropriate COUNTY contact in a timely manner.

- 2 • Establish generalized good neighbor practices for services and facility(ies) that include:
 - 3 - Adequate parking
 - 4 - Adequate waiting and visiting areas
 - 5 - Adequate restroom facilities
 - 6 - Property maintenance and appearance
 - 7 - Community safety
 - 8 - Congregation guidelines
 - 9 - Security provisions

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11 CONTRACTOR shall submit its policy to COUNTY for review and approval prior to the commencing
12 of services.

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